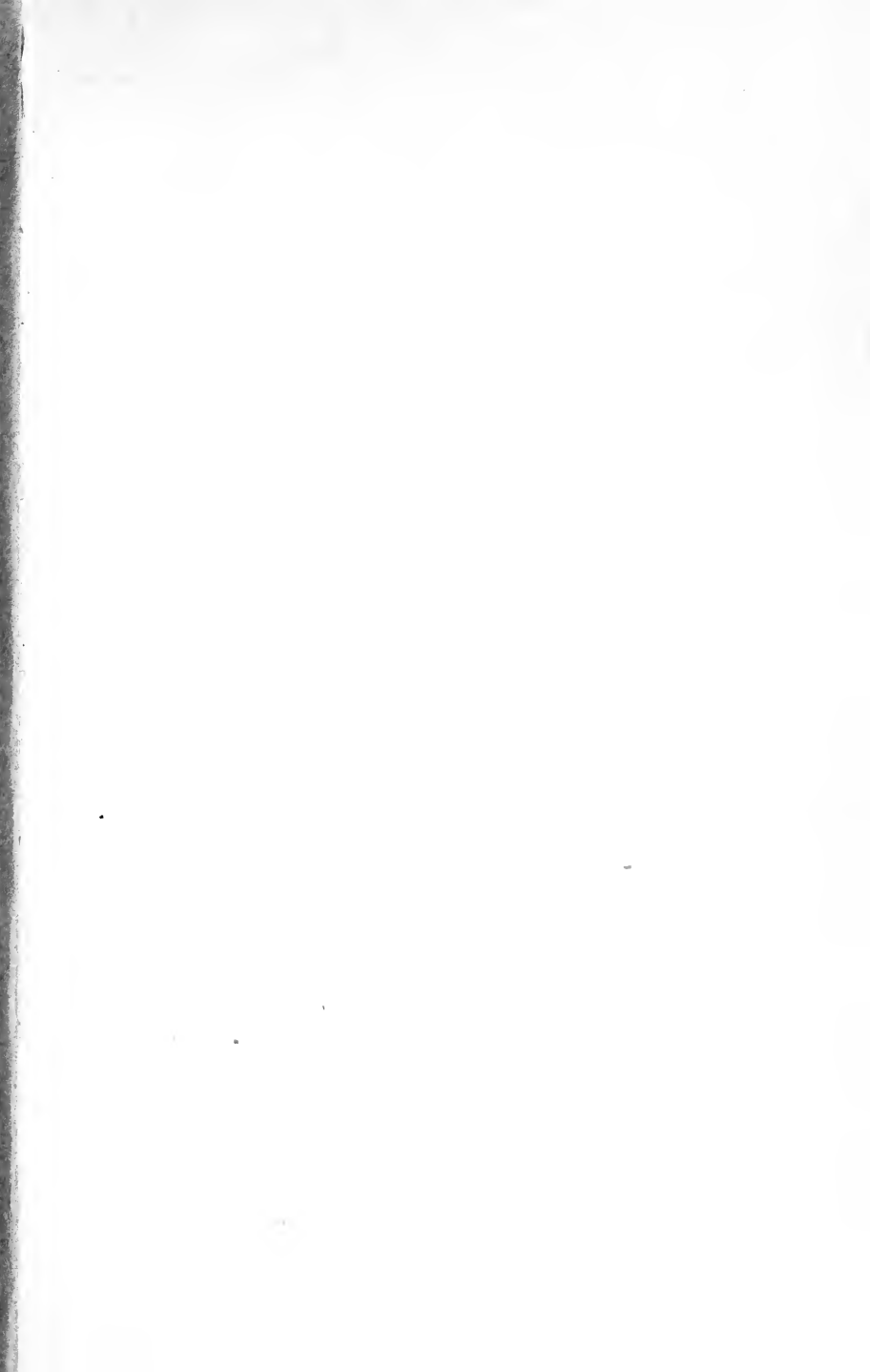


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AMERICAN PUBLIC OPINION

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BY

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AUTHOR OF "THE TRADE OF THE WORLD," "THE PROBLEM
OF THE IMMIGRANT," ETC.



NEW YORK
E. P. DUTTON & COMPANY
681 FIFTH AVENUE

1914

RICHARD CLAY & SONS, LIMITED,
BRUNSWICK STREET, STAMFORD STREET, S.E.,
AND BUNGAY, SUFFOLK.

TO THE
MEMBERS OF THE
SOCIETY OF
ARTS AND CRAFTS

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PREFACE

UNDER the general title of *American Public Opinion*, it is ventured to present a number of essays which have been written in an effort to interpret American opinion upon certain large and more or less international questions. Seven out of the fourteen chapters have appeared in the *Fortnightly Review* of London during the past year; five in the *Century Magazine* of New York, and the last two are here presented for the first time. To the publishers of the *Fortnightly Review*, and to the publishers of the *Century Magazine*, grateful acknowledgment is given for the right of reproduction. The book itself is not intended as a thorough or connected study of the psychology of the American mind as it relates to public affairs, but that it may assist the reader to a more intimate and friendly understanding of the American point of view is the hope of the author.

JAMES DAVENPORT WHELPLEY.

May 1, 1914.

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AMERICAN PUBLIC OPINION

CHAPTER I

THE LAND OF THE OPTIMIST

THROUGHOUT the bourses of Europe, there comes from time to time a period of marked distrust as to the immediate future of America. This distrust extends even beyond the bourses, and applies quite generally to all things American, especially those of national character. If this disquietude were confined to matters financial, it might not be worth while to take it seriously, as it could be described as a phase through which European financial markets have passed successfully many times. The year 1913 was notable for an unusually pessimistic attitude in Europe towards American affairs. There was a shortage of money throughout the world. Recent political and military disturbances caused serious alarm, and capital, always timid, retreated before them. Enormous demands were made for special and unusual loans, strikes threatened a temporary decrease in the gold output, and social unrest entered deeply into every country

of large population, none being exempt. Temporary booms occurred in the share market, but soon fell flat, being evidently more or less "professional" in their character. Allowing for the general and world-wide disturbance, however, there still remained a peculiar and marked pessimism towards America and her affairs.

To any one familiar with the resources of America, the resourcefulness of Americans, and the temporary and superficial character of most political and financial disturbances, there was no cause for pessimism; but for the man in the street in Europe there may have been some excuse for his alarm at the din of conflict and the tales of disorganization which crossed the Atlantic. There are only two sources of information for the foreigner as regards the United States. One is the Press, which quite naturally deals almost exclusively with the unusual or the sensational, and the other is Wall Street, a most notoriously inaccurate reflector of real conditions, and an alarmist without intelligence. To thoroughly understand what has been going on in America for several years past is not easy even to a citizen, and certainly much more difficult for one not to the country born. A great revolution has taken place in America, and like all wars, either of arms or social effort, there is an aftermath which brings its heavy penalties.

The administration of the late President McKinley was marked by the end of the triumphant and unchecked reign of political spoils and the "boss," and concurrently by the birth of a movement among the people to take back unto themselves that which the founders of the nation intended them to have, to wit, a government giving special privilege to none. Theodore Roosevelt, the most astute and adroit politician in the United States, read the signs of the times even before they were written wide, and voiced them according to his interpretation. So early in the day did he recognize this ground-swell of public opinion that when he put the demands of the mass of the people into form they came as novelties, and to him was ascribed their origin, hence the term "Roosevelt policies." These popular demands in the United States were no more Roosevelt policies than are the agitations resulting in the overthrow of the Manchus in China, the ascendancy of socialistic tendencies in England, or the efforts of the Russian Government to meet the needs of a population growing yearly in intelligence and self-conscious strength. Through finding an authoritative voice, however, they were crystallized and became tangibly effective of definite results.

It is not possible to destroy long-established and complicated systems with a sledge-hammer, no matter how evil their real character may

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be, without injuring the innocent and temporarily, at least, halting the fluent and logical co-operation of the nation's brain-cells. The evils were widely recognized, and opinion was unanimous that "something must be done." Having started out to destroy, it only required brute force and authority to cause tremendous havoc, and the troubles of the nation began afresh when constructive statesmanship was needed to replace that which had been at least partially annihilated. The reformers fell out among themselves, each one having his own panacea for all the ills of the body politic. The popularity of Mr. Roosevelt and his hold upon the American people having been gained through his courageous attacks upon established injustice, other ambitious politicians adopted his ideas and endeavoured to outherald the original actor in the part as saviours of the nation. The result has been that "reform" has run amok. To be conservative in thought or action is to be "reactionary."

The momentum of this revolution carried into power a lot of academic reformers unskilled in public life, and uncomprehending of the intricacy of the organization with which they were to deal. They were honest in their intentions and ideas, which, as expressed on platform and in print, coincided with the wishes of the people, but they were naturally, though unfortunately, vague as to practical remedies.

The people thought best to trust the affairs of the nation in the hands of these new men of brave ideals, because they were not identified in any way with the past regime. It is of course rank heresy at the moment to say so, but there have always been men high in rank in the United States Government who have given to the nation the best that was in them with an unselfish devotion and ability unequalled in any other walk of life. These men went down with the others, however, for they had breathed the same air as the spoilsmen and the vendor of special privileges to the few, hence were deemed tainted.

Thus it came about that the Government in all its branches passed into the hands of those to whom all was new, whose energies had been concerned heretofore with their private affairs, or with a limited field of local politics into which no questions of great national import or international significance entered. This occurred at a time of unrest and change. The foreign relations of the United States were of unusual interest and importance; proceedings were under way for the reorganization of great industries under paternal government eye; the tariff was to be revised, currency laws to be changed; the Monroe Doctrine was under severe scrutiny as to its boundaries and its responsibilities; the foreign trade of America was changing its

character, and in fact the entire nation was apparently on the point of adopting a revised idea of existence. It is difficult to conceive of a time when broad statesmanship and grasp of American affairs at home and abroad were more needed to carry the country through the storm successfully.

The direction of affairs was placed by the ballot in the hands of men whose purposes were admittedly sincere, but who were, unfortunately, amateurs at the great game. The new administration began auspiciously, and the nation, satisfied that it had done well for itself, awaited results. These have followed swiftly, but not exactly the results hoped for. The cumulative testimony of Democrats, Republicans and non-partisans alike is already to the effect that the amateur and the school-master, no matter how high the ideals or sincere the purpose, is lacking in essentials necessary to a successful navigation of a great ship of state. The Press at the beginning was inclined to support the new Government regardless of party affiliations, but as each member of President Wilson's Cabinet, with only one or two exceptions, has committed some blunder of speech or administration, the unqualified support of this non-partisan Press, and nearly all of the great American journals are non-partisan, has been alienated.

The President sends his Secretary of State

and others chasing about the country on fruitless errands of pacification; together they find the nation drawn deeper and deeper into the turgid and stinking pool of Central American politics; the American diplomatic corps in Europe and elsewhere has lost heart and organization through neglect and non-appreciation of its importance to the nation as a whole, and the voice of America in foreign affairs is rendered negligible. The Law Department of the Government is exhausting itself in the unreasoning prosecution of great combinations of industry, the sole agencies through which American foreign trade can successfully meet its foreign competitors. With the Congress of the United States in almost perpetual session, revising the tariff, the currency and attempting to regulate business, the Vice-President in a recent speech suggested that if American business men would only forget for ten years that Congress was in session, all would be well with the business world.

Great reforms are only brought about in the United States, as in most other countries, through violent agitation, and, as is invariably the case, the agitation leads to measures unnecessarily stringent. The pendulum overthrows its balance and reaction follows. It has been true in the past also that the period of reaction has been so violent as to nullify much of the good accomplished, lead to renewed public

indifference, and give opportunity for abuse of privilege to again entrench itself. So long as people govern themselves and a majority of the voters remain human this will continue, but with this gain, that the pendulum on its return never quite reaches the point from which it started to swing back. That constitutes the measure of beneficial accomplishment. There is a general movement throughout the world for the betterment of the mass of mankind, a rising tide of pure democracy. Under one guise or another, it is a fight against special privileges of the few at the expense of the many. In America it has taken the form of a vigorous protest against the spoils system in politics and the power of vast aggregations of wealth; in China the destruction of an ancient and moribund dynasty; in England a rebellion against inherited and acquired power, property supremacy and the subjection of women; in Japan the organization of labour to meet the autocratic employer, and so on to the end of the list. Sifted to the bottom, any one of these situations will yield a belief on the part of the people that the rights of humanity rise superior to the rights of property, and the triumph of this belief in all forms of government is now obviously only a matter of time. It will come sooner or later everywhere, and the politician who espouses the opposite cause will go down to the rubbish heap in company

with the system of basing the governing power upon unearned increment, now being so rapidly discarded.

The people of the United States are not bound by tradition, nor are any precedents so binding that they cannot be broken. The temperament of the American people is vigorous even to a point of violence. It is a land of big things, mental and spiritual as well as physical. This is geographic, climatic, racial, and natural to a newness of established order. On the other hand, a vast majority of the American people are intelligent, unusually well educated considering their individual resources, and possessed of a practical vision which quickly penetrates fraud or charlatanism. In other words, the nation as a whole is possessed of a goodly supply of shrewd common sense. It is not a slow and calculating quality in this case, and many mistakes are made, but are righted with equal swiftness when the sham is exposed.

The keynote of the life of America is optimism. Public spirit is buoyant and hopeful. There is no lack of reason for this. The natural resources of the country are amazing, the distribution of wealth is general, notwithstanding the existence of great individual fortunes and aggregations of capital, and above all, the nation has passed through many disturbances of such character and of such

violence as would have destroyed any structure less firmly put together, or with foundations less logical or less righteous. The history of America is a tribute to the permanency of a social structure built from plans predicated upon the equal rights of the individual, man, woman or child.

There has evolved among a certain small but prominent class of people in the United States, and in other countries as well, a peculiar standard of business morality which may be described as one lacking in humanity. Men whose personal standards are of the highest have come to look upon a nation as a community to be "worked," or, in other words, to pay tribute to financial genius strong enough to secure such tribute. This has led to instances of over-capitalization, certain forms of monopoly evil, and the development of a theory which, briefly expressed, resents interference on the part of the community with the management of so-called private property. As the late President of a great American railroad once expressed it, "This road belongs to the shareholders, and we have a right to run it as we see fit." The man who said that had lost sight of two great ideas now well to the front in the public mind. The first of these is that all enterprises based upon natural monopoly are quasi-public functions. The second is that the welfare and rights of

humanity—it is a temptation to use the phrase “helpless humanity”—are superior to those of property. The English people may be said to have the same question before them fundamentally in their treatment of great landlords and the so-called hereditary ruling class. In both countries and in both cases the alleged attack upon property and acquired special privileges has caused great surprise and indignation among those in possession; but protest as they may, the surging tide of the rights of man will not be stayed. It is another case of King Canute. The wiser of this class have seen the inevitable, acknowledged the error of their former point of view, and are working successfully in harmony with this new life, with profit to themselves and to the community.

In the din and confusion resulting from this readjustment of working standards people are apt to lose sight of certain things. A well-built house shakes and shivers in the wind, and the noise of falling chimneys is terrifying, but when the storm is passed there are no signs of weakness in the foundations, and it takes but little effort or time to repair the damage. In the United States there are nearly one hundred million people, less than 15 per cent. of whom are foreign born. The affairs of the nation, political, financial and industrial, are largely in the hands of the Anglo-Saxon

of advanced type. Even the immigrant who comes to America is fed and educated until he becomes a different being from his forbears. The land itself, reaching as it does three thousand miles east and west, and nearly that north and south, is as varied in its possibilities as the range of the temperate zone will allow. Education, religion and self-improvement are strongly entrenched in individual and community life. It is also a fact to be admitted that this very buoyancy and optimism of the people has at times lent itself to those who have successfully discounted the future in their over-capitalizations.

The news of America comes to Europe from New York City, the gambling centre whose politics, finance and sentiments are alien to those of the country as a whole. The attention of the President of one of the great industrial organizations of Western America was once called to the violent fluctuations in the price of shares of his company on the New York Stock Exchange. He shrugged his shoulders, and said : " I never know just what our shares are being sold at. This company is a favourite football of the market. We never pay any attention to this, for the property itself furnishes no reason for such variations, and we are quite satisfied with things as they are and as they promise for the future. A majority of the shares are in safe hands, and that is all

we care to know. What happens to the rest of the shares is a matter of indifference to the majority owners, and of course it is a well-known fact that more shares in this company are bought and sold every week of the year than could possibly be secured for actual transfer."

A real panic seriously affects America as a whole, for credit is a very large element in all American enterprises. The collapse of 1893 was a deflation beneficial in the end, but widely disastrous while it lasted. The panics of 1897 and 1903 were money panics, and as such affected seriously only the eastern cities where congregate the middlemen and the parasites of industry and finance. It is an axiom that there can be no really great panic in the United States unless it has been preceded by three bad crop failures. The wealth of America comes out of the ground, and in this 1914 there are no signs of even the first crop failure, which might be counted as number one of the ominous series necessary to a real disaster. The foreign trade of the United States is at high tide and still rising, the figures of each year exceeding those of the year preceding. In the finances of the Government there is no suggestion of anxiety. Foreign travel on the part of Americans is greater than ever, an excellent barometer of easy money at home. The business of the railroads grows amazingly,

and the output of great industries is recorded in increasing figures. All this means that there need be no lack of faith in the future of the American people, nor of the land itself. Any existing distrust of American affairs must logically be confined to possible daily fluctuations upon the Stock Exchange, and is indicative of the nervousness of the gambler rather than the permanent investor. Pessimism breeds pessimism, men in the street are but parrots and mimics when it comes to opinions on finance—and the “bear” always finds a score of willing talemongers to ape his troubled looks and repeat his whispers of foreboding.

The troubles of America are more superficial than those of any other great nation, for America is sound at heart, spiritually, industrially and financially. That these troubles, superficial though they may be when the state of the nation as a whole is considered, are serious is undeniable. The effort of politicians to become great heroes of reform is not only doing away with acknowledged evils, but incidentally destroying much that has taken years of intelligent labour to construct. The situation resembles the state of a householder who, having sent for the fire department to extinguish a small blaze, finds the contents of the entire house apparently ruined by the floods of water and the axes of the willing firemen. The damage is not as great as appear-

ances indicate, but it is serious enough to cause dismay on the part of the owner and the on-looker.

The legal department of the Government at Washington, in its efforts to keep up a fight against "Big Business," resembles the militant suffragist pursuing a window-breaking campaign after the purpose that might have been intended originally has been thwarted by lack of novelty and the boredom of the public. There were undoubted evils in connection with the conduct of the affairs of all the great American industrial combinations, sins against public policy, but they were sins committed in self-defence or self-aggrandizement, and condoned by the public and the law for so many years that they became an acknowledged part of a system. It was unquestionably possible to correct these errors without the sudden, merciless and unintelligent attacks upon industry as a whole which have marked this era of alleged reform. In the end violence reacts upon itself, and the public suffers rather than benefits, as is already apparent.

In Washington at the present time the American nation is conducting at enormous cost a practical school of politics and statecraft. To this school have been sent a lot of ambitious, well-intentioned men, ignorant of the practical workings of the machinery of government, without consciousness of foreign

affairs, and with all the pedagogical instinct of the teacher rather than the willingness of the pupil to learn. It was a dangerous experiment to put the gigantic forces of a great nation into the hands of amateurs for practice purposes, and but for the immutability of the great government machine such an experiment might easily bring about irretrievable disaster to the country. Speech and action are two widely separated functions at Washington, however. The routine of legislation moves slowly. No whirlwind of enthusiasm or outbreak of rage can force a law into being on the impulse of a moment. The checks and counter-checks provided by wise builders of government in earlier days still hold the country steady even in the most dangerous places.

The machinery of a great department presents to the new and inexperienced secretary a passive resistance against innovations, be they good or bad, which in the end gives little chance for marked or rapid changes. In some cases this has worked against public policy; in others it has saved the nation from the possible effects of serious blunders. At the moment it serves as a damper upon new and untried theories and makes for conservatism and safety. No stronger argument could be presented to the public in favour of caution in changing the present American system of

government than the realization which is growing, that all standing between safety and excess is this very cumbersomeness, as it has been termed, of the present elective and administrative methods. It is doubtful whether the election of United States Senators by direct vote would have prevailed as it has had the Radicals been in power when the question of this constitutional change came up for consideration. It was a protest against the ultra-conservatism of a regime now passed.

While it is true that neither the President of the United States nor a member of his Cabinet has the power of an unconstitutional monarch, or even a Prime Minister, it is possible for either of them to involve the country in grave difficulties. No war can be declared except by Congress, and there are no executive powers which cannot be held in restraint by one form or another of legislative action, but blunders can be made which might render a situation difficult to retrieve. For the United States to go to war against Mexico could only have resulted from unpardonable awkwardness in the handling of any controversy which arose. The United States has a free hand in dealing with its neighbour. The jealousies of no other Power can interfere. There is no disputed authority in the handling of this unruly member of the American family, and whether in the end Mexico remains a really independent

state or becomes, as in the case of Cuba, a thinly disguised American possession, is a matter in which the United States alone is really concerned, and for which she alone is responsible, always providing that foreigners and foreign property are safe within Mexican borders; for this is a police function naturally assumed and incurred along with the greater responsibility.

One salient reason for the appearance of small men in big places in the national political life of America at the present time lies in now more or less ancient history concerned with the free-silver campaigns of 1896 and 1900. When the free-silver advocates secured control of the Democratic party organization, practically all of the gold-standard Democrats were drawn into the Republican party, retired from politics altogether, or were ousted from any position of importance in the organization, national or local. With them retired most of the brains and dignity of the party. The smaller and less responsible party workers came to the surface and have remained there.

In the sixteen years since 1896, the Democratic party has not been really reorganized, and has not fully succeeded in securing to its organization the adherence of the quality of men lost during its years of wandering from strait and narrow economic paths. President Wilson's nomination was secured by the aid

of W. J. Bryan, now Secretary of State, and his radical following, thus leading to a preponderance of the Bryan element among those recognized for appointments by the new administration. Few commanding figures stand out among them, and the men forced upon the party by this condition afforded slim material out of which to create a great government administration. Of diplomats there were few available to fill important posts, and the rank and file of hungry office-seekers were born of the days when the party of protest adopted the free coinage of silver at the ratio of sixteen to one of gold as a panacea for all ills, and drew to its support all of those who were waiting impatiently outside the walls of prosperity for some man-wrought miracle to open the gates.

There is no large leisure class of ability and property in America seeking politics as a diversion or a patriotic occupation. The returns of office are not sufficient to draw men from other important positions, hence the vast majority of those presenting themselves are either seekers after a job, or those to whom the glamour of government employment appeals as a relief from the dullness of academic shades or the drudgery of literary work. Americans are idealistic as to the purposes of government and the quality of men who should administer it, but they are intensely

practical as well, and popular approval goes to the men who can, as the saying runs, "deliver the goods." The qualities necessary to fill these requirements are much more likely to be discovered in the successful man of affairs who has ideals than the man with ideals who has no affairs.

The political situation in America has much to do with the already noted foreign distrust of matters American, hence it is important to grasp the fact that the disorganization of the present is but a surface agitation, severe in character, it is true, but not affecting in any harmful way the well-laid foundations of the nation in its business or its character. All enterprises well grounded upon legitimate production and supply will weather the storm successfully, and all underlying securities based upon these enterprises will hold their face values in the end. Every piece of real property in the United States is worth more to-day than it was ten years ago; the physical plant of every great industrial enterprise, from railroad to mill, is to-day more valuable as a dividend-producer than it ever was, if it has been well managed and kept up to the mark. The wants of one hundred million people are greater than those of seventy millions, and to supply these wants means at least 30 per cent. more business.

The revision of the tariff law has given

Europeans a better chance of business in America than they have ever before been offered, and has at the same time unquestionably stimulated the productive power of the American people. The country is too big, too rich, too self-contained and inhabited by too energetic, forceful and ambitious a people to remain supine under any difficulties which are hinted at now, or can be foreseen for the future. The American who has backed an optimistic faith in his country with money and energy has ever come out on top. The pessimist and the whiner have lost, and will continue to lose. The foreigner who seeks opportunities in America, or who, having found them, fears for his ventures, need but exercise his patience and have faith, for his interests are being jealously guarded by a people whose very lives and liberties are at stake as well as their property.

“God hates a quitter” is an expression often used by Americans in times of stress to cheer themselves or others along a difficult road. The American people are not quitters, and they are working out the greatest experiment in a government by a people for a people the world has ever seen. This experiment is worth watching, for it is founded on a plea for human rights, and from the results the world has much to gain both for humanity and for material progress. At this time, when

criticism of America and American affairs are rather the vogue, the spiritual and material prospects of the country and its people were never brighter. The very throes through which the nation is passing are but the casting-out of devils, some of whom are most fetching in their borrowed robes of white and haloes of reform.

CHAPTER II

PUBLIC SENTIMENT

A YEAR or so ago an Englishman heavily interested in Anglo-American industrial affairs was congratulated upon the very good relations which then existed between the English and American peoples. In reply he shrugged his shoulders and said, "Yes, they are very good now, but how long will they remain so? We are always the same, but American public sentiment changes so easily and so often." There was some truth and a great deal of misunderstanding in this reply. The fact that a certain amount of irritation at England has shown itself recently in the American Press would apparently confirm the opinion instanced, whereas it is in reality the best of testimony to the effect that the relations of the two peoples are based upon a much more stable friendship than ever before. The proof of this lies in the fact that, whereas a few years ago the present situation would have produced a serious outbreak of anti-British sentiment in America, it has really resulted only in a surface irritation.

Setting aside all questions of the right or wrong, understanding or misconception of con-

ditions which may exist, or in regard to which people may differ according to point of view, one need not go back in history beyond the memory of the present generation to realize the real difference which has come about in the relations of the English and American peoples. The first serious outburst of anti-British sentiment in America was in 1776, and the second in 1812, each of these being followed by wars in which the United States were successful. Naturally, for many years following these historical episodes England and the English represented to Americans the enemies of their most cherished institutions. The attitude of England in the Mexican war of the 'forties did nothing to mitigate this impression. When the American nation was torn asunder by the greatest civil war in history, a large section of the English people openly and in a most practical and helpful manner sympathized with the South and its struggle to maintain the institution of slavery. The motives of the English on that memorable occasion could hardly be described as altruistic from any point of view, for the needs of the English cotton-mill were more potent than any home demand for strict neutrality.

The antagonism brought about by this crisis subsided to a large degree, on the surface at least, and was not notably aroused again until President Cleveland's Venezuelan message

resulted in the secret reinforcement of all British coast defences, and a general though quiet preparation for eventualities. This crisis was fortunately passed without actual conflict, and again the natural influences always at work to bring the two peoples together upon an intimate and friendly basis resumed their good work. Events in Manila Harbour did much to advance the era of good feeling, for the American people, while quick to take offence, are equally quick in their appreciation of sympathy and support. For ten years or more following the battle of Manila the entente made strong headway. Then came the question of tolls through the Panama Canal, in which there was fruitful source for trouble in view of existing treaties.

Cleverly disguised under almost unrecognizable forms, an organization in the United States favouring ship subsidies here found an opportunity to make some headway. Assisted by some influences entirely frank and sincere, an attempt was made to secure certain discrimination in favour of American shipping. This movement progressed far, so far indeed, that to reverse its action Congress is compelled to repeal laws already enacted, or else admit that such laws were void, if the discrimination referred to was to be done away with. It may be suggested *en passant* that it is extremely unfortunate, if objection was to be raised to

the enforcement of a law held to be a violation of an existing treaty with England, that such objection was not raised by the party interested before the law was enacted, and in the earlier stages of the discussion, rather than after the machinery of government had finally committed the United States to a course inevitably productive of discord. This not being an analysis of the rights and wrongs of the situation, no discussion of the merits of the arguments on either side is called for here. Those familiar with the ease with which committees and Members of Congress are reached in Washington for purposes of discussion, and the simplicity of the approach to the Secretary of State and even to the President of the United States, are aware that many ill-considered plans, which would otherwise have been enacted into laws by Congress, have been nipped in the bud through the opportunities afforded by these very informalities of American official life. No Government in the world is more accessible, nor is there a legislative body in any large country which can be more easily kept to the straight and narrow path providing the co-operation of the Executive be obtained.

The controversy which followed the protest of England against canal-toll discrimination brought forth a varied crop of opinions. For the first time in history, however, there was a serious division as to the merits of an English

contention. A large number of the most influential American journals and periodicals supported the English claim, and many public men expressed themselves as believing that the United States was in the wrong. In itself, therefore, the protest against a preferential toll in favour of American vessels passing through the Panama Canal did not seriously disturb the increasingly friendly attitude of the American people toward the people of England. Shortly following this episode, and, indeed, before it was finally disposed of, came the trouble in Mexico. The United States Government took a certain stand in relation to Mexican affairs, and these Mexican affairs are very vital to America; so vital in fact, that the possibility of a great and costly war is involved, a war in which no outside assistance would be wanted or asked, the entire burden falling on the American people. No question of an allied army was involved.

In the beginning of the Mexican trouble the attitude of England was most unsympathetic towards the American position. British officials gave utterance to unfortunately irritating remarks, official denials of which did little to counteract the effect. It was so late in the day when the British Government realized its error, if not in fact at least in diplomacy, and modified its policy in favour of the position taken by the United States Govern-

ment, that American public opinion was already roused to a point of appreciable exasperation. The American people were nervous, and still are nervous, over the Mexican situation, and therefore inclined to be ultra-sensitive towards anything which looks like outside encouragement to an unfriendly element courting events which would plunge the nation into an unnecessary war costing millions of money, thousands of lives, and the creation of an army of at least a quarter of a million of men. Americans felt, rightly or wrongly as the case may be, but naturally, at all events, that as they would be expected to handle the Mexican trouble themselves and at their own cost, no matter how seriously it might turn out, the least any foreign power could do was to keep hands off, especially England, with whose people America had, after a hundred and more years of intermittent trouble, arrived at a friendly understanding which promised to become permanent. Unfortunately the story is not yet complete.

Closely following upon the Panama controversy and the Mexican crisis, England was invited to participate in the San Francisco Exposition. The American people are very proud of this approaching event. Everything possible is being done to make it the greatest show of its kind the world has ever seen. It possesses a peculiar significance as well, for

it is the first great national recognition of the magnitude of Pacific Coast interests; it celebrates the completion of the Panama Canal and the beginning of a new epoch in the transportation interests of the world. It was felt also that, as English money has been particularly concerned with Pacific Coast ventures for many years past, and the English mercantile marine would benefit more than that of any other country, English interest would be particularly keen over this coming event. It was also recognized that a new tariff law had come into effect, lowering to a marked degree the heretofore almost prohibitive barriers to British trade in America, and that there was every reason why it would be of practical as well as theoretical benefit for English manufacturers to make an impressive exhibit at San Francisco in 1915. The British Government, notwithstanding a strong movement on the part of British merchants to the contrary, saw fit to decline the invitation to be represented at the San Francisco Fair, and as the elimination of British competition makes it less necessary for other foreign countries to participate, the British example had a depressing effect upon Europe generally in relation to the Exposition.

This action on the part of the British Government has unfortunately accentuated the impression now to be found in America that the

whole attitude towards American affairs and American ambition is not so distinctly and sympathetically friendly as it has seemed to be for the past few years, and that for some reason or other a change has come about. The plea that there have been too many expositions, or that the expense is too great, is not convincing to the American people, for the British Government maintains a permanent Exhibition Bureau, and has heretofore not failed to be represented on every occasion of this kind, in no matter what part of the world, and even those most charitably inclined are free to say that if a beginning was to be made in the limitation of foreign exhibitions, to begin with the San Francisco Fair was a serious error of judgment and diplomacy. Americans are quick to notice also that their criticism of the English Government in this matter is no stronger than that expressed in England, not only in private, but by public speakers, and in the English Press, which has almost unanimously supported the American suggestion for a British exhibit. The statement or intimation that an agreement was made with Germany, whereby neither country would make an exhibit except by mutual consent, does not relieve the situation, for in America, England being the largest trader with that country, and destined to receive far more benefit from the Panama Canal than Germany,

it is naturally believed that the initiative rested originally with England, and that it would only require a change of heart on her part to bring about the participation of both England and Germany in the Exposition. It is only natural to suppose also that other European countries now holding back would quickly follow any example set by England and Germany. Whatever may be the actual facts, and however fair and innocuous the reasons may be for the offstanding attitude of England in this matter, it is natural enough under the circumstances that America as a nation should feel not only that England is making a mistake so far as her own interests are concerned, but hurt and possibly somewhat resentful at England's apparent lack of good-fellowship, and inclined to attribute more or less unworthy motives to her action.

The net result of these unfortunate complications of 1912 and 1913 has been to cause a revival of the anti-British feeling which, for so many years in the past, found constant expression in America. It has been easy to trace the origin of this feeling of antagonism which existed for nearly a century. The very fact that it was first felt by exiles or emigrants from their British homes ensured a continuation of the sentiment in their descendants until at least Time, with its changing conditions, had readjusted the relations of the two peoples.

In the years gone by, another factor played an important part in American public sentiment, and that was the activity of the American Irish. The Home Rule movement has been supported from America from its inception. America has been the refuge of those who left Ireland either for their own or their country's good. Less than twenty-five years ago it was "good politics" in the United States to cater to the "Irish vote," and many a cartoon, newspaper article, and platform fulmination against England was either contrived by an Irishman or by some one endeavouring to please the Irish-American.

One of the greatest forces for peace and understanding between England and America has been the work of the "melting-pot." No longer are American politics and policies designed to please any particular nationality. Each and every one of the alien influences, including the Irish, has been swamped or submerged in the great ocean of a newly-created nationality. We no longer hear of the Irish-American or the German-American, any more than we hear of a Franco-American or an Italian-American political faction of any real size or influence. With the decline of Irish importance in American politics has disappeared a certain element of vivid personal animosity toward England which was in evidence in every political campaign.

It was not so many years ago that most things English were the butt of the humorist of the Press, the music-hall entertainment, and the stage characterization. Some of these burlesques were good-natured and amusing, such as those of the late lamented Dan Daly, who added so much to the gaiety of nations : while others had a nasty sting which generated malice on both sides. These characterizations are still current, but the English stage now squares its account with the stage of America, and probably "honours are easy" between the two.

Between 300,000 and 400,000 Americans come yearly to Europe in the course of the year's travel. A large number of these come every year, but no boat crossing the Atlantic is without its quota of American pilgrims making their first visit to Europe. A much larger number of English people are visiting the United States each year, and the business of the two countries is becoming more and more international. These things have led to better acquaintance, but there is one important fact which has been learned by American visitors to England and conveyed to those who have stayed at home, which has not yet been fully grasped either by British visitors to America or English people who have never visited America, and that is that the two peoples are separate and distinct nationalities, with different

mental habits and different points of view. The English are as they were. From the American melting-pot has come metal of a different alloy which has run into a mould not of English manufacture. No harm has come out of this difference in nationality, and when it is realized thoroughly, good will result, for Americans and English alike will not assume that they are the same people and act accordingly, generally to their mutual confusion, but will study each other more closely, with greater respect and interest, and thus arrive at a more intelligent basis of understanding.

The American character is the product of climate, soil, environment, circumstance and race. With the exception of race, all of these influences are different in themselves and in their combination from those found elsewhere. Hence the difference in product. American characteristics are energy, directness, shrewdness, lack of subtlety, a more or less strong provincialism, and a strongly developed patriotism, which in this case is a belief in the American and his country almost to a point of fanaticism. The American is quickly aroused and quickly pacified, and he will, as a rule, meet his opponent more than half-way to patch up a quarrel, whether it originated with the other man or himself. He is sensitive to criticism or ridicule, though quick to criticize or ridicule others, but likes a man who is ready at repartee, even

though it be of rather obvious nature. His provincialism takes the form of intolerance of what he calls lack of modern progress, and a gregariousness limited to those of his own nationality. His pride of country, in its most vivid phase, is often localized to the city or town in which he lives. He is at heart a born "boomer" and an optimist as to everything American. His provincialism in most of its phases is one of the greatest strengths of the nation of which he is a unit.

Throughout America there is to-day an underlying belief that there are ties between the English and American nations which bind them closer together than would be possible with any other. The bond of language is strong, for the American is not a linguist, and while he recognizes the fact that the Englishman is not in any real sense of the same nationality as himself, he feels certain things in common which constitute a strong and durable tie. It is the American and the Englishman who fraternize in a land alien to them both, and to each other they look for comradeship and understanding. Without being willing, perhaps, to acknowledge it, Americans as a nation would prefer the approval and understanding of the English people to that of any other; and, as in individual cases when a man wants a friendship, he is more sensitive to rebuff, and will perhaps be ruder to the friendship desired,

through natural fear of seeming to ask for it, than he will to the casual acquaintance with whom no sentiment is connected.

There is one thing that the American nature resents more than anything in the world, and that is an attitude of superiority, and especially one of patronage. This is a point which has done more to cause misunderstanding between the English and American peoples than anything else, not excepting wars. The Englishman at home and abroad, in his government and individuality, is prone to an air of patronage towards those things and those peoples not of his own. Carefully analyzed, this alleged patronage of the Englishman generally resolves itself into an ultra-conservatism, personal shyness of evidence of emotion or excitement, and a perhaps unwitting consciousness that the sun never sets on the British Empire; but, from whatever it may come, and however much it may be misinterpreted, it flicks the American on the raw, and he sees red. The English character is much better understood in America to-day than it ever has been, and Americans have so far progressed in national self-confidence and self-assurance that the English attitude is given much of its true meaning and significance, and such patronage as may be indulged in is met with more tolerance and even enjoyment at times, for the American is learning how to do a bit of it himself, as occasion presents

when he compares certain features of life in his own country with what he finds elsewhere.

In times of great national stress and controversy all peoples reach back into the fundamentals of their character. The polish comes off, lessons of politeness are forgotten, allowances are no longer made, and the American, easily offended and sensitive to criticism, resents what he may regard as an interference or as a questionable display of friendship. The American Press is quick to reflect the public mind and seize the advantage offered. As elsewhere, the most dignified as well as the most criminally sensational newspapers exploit the mood of the moment by giving the news in all possible fullness, and there are always innumerable men in and out of public life ready to grasp such opportunities to call attention to themselves and their opinions. As a result, the whole country is apparently aflame with some particular sensation. The only thing needed to put out the flame is the appearance of some other topic to take its place in the headlines. The late President McKinley wrote what he thought would be a Congressional message of peace at the time of the crisis between Spain and the United States. No one was more shocked or grieved than the author of that message when he found that the newspapers of the next day had turned it into what amounted to a declaration of war.

Even with that, however, it is possible that the Spanish war would never have been fought had not the *Maine* been blown up. The Spanish Government had nothing to do with the catastrophe, but it came as a match to the powder-magazine of American public sentiment, persistently cultivated into warlike channels by certain irresponsible newspapers. The war lasted but a short time, and the day after peace was declared there was no more animosity in America towards Spain than if war had never been thought of. No such feud was created between the two peoples as exists to-day between so many nations of the world who have in the past come together in clash of arms.

There is a vast reserve fund of what is called "common sense" in the body politic of America. Radical in speech and conservative even to calculation in action has been the history of the country for generations, and it is the character of the nation as it has found itself to-day. A strong, true sense of proportion is necessary to a foreign understanding of American affairs, and this is impossible of attainment unless the character of the people is understood and the forces at work upon public opinion duly measured, for America is a country ruled by the sentiments of the people more absolutely than any other nation in modern history.

CHAPTER III

PRESIDENT WILSON AND HIS PROBLEMS

THERE was a lull in American activities preceding the trouble with Mexico, suggesting perhaps the effect of the Christmas season, but the real causes for this quietude lay deeper than any holiday spirit, and possessed a far greater international significance. In this case it was the lull after, rather than before the storm. The new tariff law is now in full effect, and the dire disasters predicted by high protectionists and the political opposition have failed to materialize. The Currency Bill has become a law, and while it has its sincere critics, the money market reflects no great fears as to its future workings. The stagnation of business which prevailed for some months in 1913 in such severity as to almost amount to a panic, has come to an end, and in February 1914 began a gradual revival of American business which will carry far, even, perhaps, to a period of unusual activity and prosperity. The Mexican situation drifts along under the "waiting and watching" policy of the American Government, to a solution of sorts, one which will in time bring more or less peace to the

Mexican people possibly without involving the United States in the dangerous adventure of serious armed intervention.

The threatened outbreak of "Anglophobia" is being averted through a more sympathetic co-operation between the English and the American Governments, brought about largely through the efforts of Sir William Tyrrell, who, whether he visited Washington in November 1913 in an official capacity or not, found himself immediately on arrival in the position of American interpreter to the British Foreign Office. Every intelligent Englishman who visits America finds it necessary to disabuse his mind of the impression conveyed by a recent statement attributed to the American Ambassador to the Court of St. James, and possibly made carelessly or only with the idea of flattering his hosts to the effect that America is still "English-governed and English-led." The truth is that America has produced a new race, purely American in physical characteristics and in mental view-point. There is less similarity between this new American and the Englishman than there is, say, between the average Englishman and the average German. Even the language is distinctly American in its use and meaning. The ideals of America resemble those of England, but even in these there are marked divergences due to difference in temperament, environment, theory of

government, and the conduct of life generally. So long as the English people look upon America as "English-governed and English-led," just so long will there be occasional differences of opinions, misunderstanding, and clash of purpose. When it becomes fully recognized that in America has grown up a new and distinct nationality, with its own ideals and point of view differing materially from those of any other people, then will a better and more permanent understanding between the two nations come to pass, and not before.

All through this Mexican disturbance there has been every desire on the part of the two Governments to avoid friction, or even a semblance of disagreement, but England at first failed to grasp the real situation, the natural feelings of the American people, or the personality of the man in the White House at Washington, upon whose shoulders rests the entire responsibility of the conduct of his Administration. An air of mystery prevailed as to the absence of the British Ambassador from Washington at critical times, and altogether a serious misunderstanding was imminent, not between the English and American Governments, but between the English and American peoples. Ambassadors and others could deny in public that there was any friction between the two Governments with

absolute truth, but the fact remains that ground was being laid for a repetition of such troubles as arose from the Venezuelan incident of President Cleveland's Administration, and this largely by England, through a misunderstanding of what was going on. In brief, the drift was towards the rocks, from which it would take time and trouble to salve Anglo-American friendship.

Fortunately, the man from the British Foreign Office who was chosen or who chose to visit Washington at this particular time, arrived with an open mind, and was blessed with a clarity of vision which stood him and his Government in good stead. He found that a most unfortunate and severe illness was the sole cause of the absenteeism of the British Ambassador. He went to the White House expecting to meet a college professor temporarily in high political place, and found a strong man of high ideals and positive convictions, upon whose shoulders rested all responsibility. He found the American people standing behind the President, regardless of party, in his efforts to do right and avoid any actual armed intervention in Mexico, for the reason that such intervention would inevitably unite the Mexican people more quickly and more effectively than any reagent which can be suggested, but, however, for the purpose of resisting the attack of a common enemy from with-

out, rather than to secure better government within.

That these matters were promptly reported to the British Foreign Office, and that the British Government acted immediately and along obviously suggested lines is in evidence, not only in the occurrences of the past few weeks, but in the almost complete disappearance of the strain so apparent in Anglo-American relations a month ago.

It has been said that if President Wilson finally emerges from the Mexican situation with credit to himself and peace to the Mexican people without having had to use more than a show of force, he will be acclaimed a great statesman, and credit will be given him for the carrying out of a policy determined upon in the beginning, and carried through consistently to a successful end. Such credit will not be his due, for there is little doubt that he was in great perplexity in the beginning as to what policy to pursue, and in ignorance as to the practical possibilities of Mexican politics. At first he talked much of a wise and good man for the presidency of Mexico, who was to be elected by a majority of the Mexican people. As he became more familiar with conditions as they really were, and with the limitations of the Mexican people as a self-governing community, this theory rapidly disappeared, and the more expedient policy of countenancing

what would best and quickest bring about peace and order in that distressed country, took its place. There being no open road toward such a result, the only course possible was to wait, keeping a watchful eye upon events, encouraging here and checking there such symptoms of progress or of retrogression as might appear, hoping each day that there would be born of the moment a man, or group of men, who could establish a safe, conservative, and authoritative oligarchy such as rules in the countries of South America, where greatest advance has been made.

In the meantime the disturbers of the peace preyed one upon the other, and together cast their blight upon the country, its people, and its interests. The situation is difficult, but no other practical solution suggests itself in this month of April 1914, nor has one been advanced by those quickest to condemn the present method of procedure, or rather the present method of doing nothing. The Wilson policy in Mexico to-day is that of watchful drift, which will possibly win out in the end. The fact that Mexico suffers in the meantime is as nothing to the suffering which would come to conqueror as well as to conquered should the United States at this writing adopt the more energetic and positive plan of sending a large army across the border in the effort to enforce good behaviour. There is always the immi-

ment possibility that armed intervention may become necessary. The effect such an intervention would have upon Mexico and the Mexican people would be of little consequence to the world as compared with the results in America and the effect upon the American people. To what these might lead would concern all nations. It would certainly work grave injury to the cause of Pan-Americanism, towards the success of which the American Government has given many years of painstaking effort.

The political situation in the United States in 1914 is unique in the recent history of the country. Party organization has practically disappeared. Loyal Republicans are in the doldrums; the Progressive leader is in South America, and with him lies the principal reason for the existence of his party; the Democratic party shows little sign of life or concentrated purpose, and apart from its hold upon the White House, is rent in twain through the antagonisms of its factional leaders, William Jennings Bryan, now nominally Secretary of State, and Oscar W. Underwood, the party leader on the floor of the House of Representatives. Party politics and a desire to bring all sections of the party under his control led President Wilson to include Mr. Bryan within the Cabinet circle. In this position he was less to be feared from a political point of view

than if he were ranging unemployed outside the official family. There is a general belief, however, that he is now less concerned with the really important affairs of the State Department than is his chief, the President of the United States. No man in the President's Cabinet is a person of dominating intelligence or power. With his influence over Congress, assiduously and successfully cultivated by all the means in his power since his accession to office, President Wilson stands almost alone in his responsibility for the wisdom and timeliness of everything that is done. While this power has its advantages it also has its great responsibilities, for the good or the evil to come to the people from a Democratic Administration will be laid at his door personally, and he will be unable to shift any of the blame, if there be such, to the party shoulders.

The American people as a whole place little hope in the Democratic party, but throughout the country there is a decided tendency to have faith in President Wilson. The people believe he is strong and honest, and that his ideals are high. They admit his inexperience in many things, but believe he is learning rapidly. They will be lenient with his mistakes, if his accomplishments outweigh them. In brief, President Wilson is getting not only a square, but a kindly deal at the hands of the American public, and if fortune favours his

administration he will reap his reward. If the Mexican situation solves itself without serious trouble, if no bad effects are apparent from legislation he inaugurates, and, above all, if no evil times come upon business and industry during the next two years, he will again be chosen as a leader by the Democratic party, and unless the spirit of new life and organization reunites the opposition, he will again be elected President of the United States. The Republican party organization is at the moment in an apparently helpless condition. A committee of experts has been called in consultation to prescribe treatment for loss of vitality and effectiveness, but no compelling plan has yet been presented. That younger wing of the party, the Progressives, led by Theodore Roosevelt, is resting hopefully and confidently in the conviction that its intrepid political warrior will in good time lead it to victory. In brief, there are but two dominant forces in American politics to-day: one is Woodrow Wilson, President, and the other is Theodore Roosevelt, ex-President, who plans to return to the White House later on. The party organizations, once all-powerful, have been succeeded in importance by personalities, and unless the regular Republicans discover another personality to catch the eye and votes of the American people, they will be compelled to fall into the line of the redoubtable

Roosevelt's political procession, or be content with a bad third place at the polls at the next Presidential election. It has been suggested that a conservative and tried Republican might be found whose name would bring the wandering voters back to the fold, and some ingenious political mathematicians are even able to drag ex-President Taft from the academic shades to which he has retired and again elect him President of the United States. Here we enter the domain of guesswork, however, where all probabilities disappear and become merely possibilities dependent entirely upon events not as yet even dimly outlined upon the screen of the future.

Unquestionably the greatest factor in the political future of America will be the state of business and industry during the next two years. One great blow has come to the Democratic party now in power: the cost of living has not been and will not be perceptibly reduced to the people by the new tariff law. The ultimate consumer is the man most concerned and the man who votes. It is already proved that a reduction of import duty by one-half does not necessarily mean any appreciable reduction in retail price to the small buyer. Politicians with small knowledge of economic and fiscal matters promised much to their constituents as the result of lower duties. These promises have not been fulfilled. Tariff

experts and business men in foreign trading knew this would be the outcome, but as the importer, the middleman, and the retailer were to absorb most of the benefit, and testimony from them would have been considered by the public as an impertinence, they said nothing, adjusted their sails to the change of wind, and steered accordingly. The politicians are alarmed. A commission has been appointed by Congress to find out why the people do not get the benefit of reduced rates. The result of the inquiry can be anticipated, for it will be shown that the slight actual decrease in cost is lost on its way to the ultimate consumer.

To divert public attention from this failure to help the people to live, renewed attack will be made upon Big Business on the ground that there is to be found the cause of high prices. This sort of thing will go on, in one form or another, so long as it is necessary to play politics, but in the meantime one conclusion seems inevitable, and that is that recent tariff legislation originating in party politics, fought on party lines, and conceived by those who brought it about as a purely political move, has finally and effectively taken the question of the tariff out of the American political field. Should the Republicans return to power the people would never consent to re-enacting the higher schedules of old. Should the

Democrats remain, they will do more with the tariff than to correct certain phases which, as time progresses, may be found to be in error. In brief, whichever party or faction of a party secures control of Congress in the future, there will be no more tariff legislation than is necessary to put the whole question upon a more scientific basis, and this will in the end result in the creation of a board of tariff experts in whose hands will be left the initiative for suggested changes in the law. The American people have been demanding for years that the tariff be taken out of politics, and, at a moment when it seemed that the tariff was more deeply involved in politics than ever before, it is thrown out by a natural process of elimination, leaving the politicians bewildered at the sudden, and to them unaccountable, loss of their time-honoured shibboleth. The American people do not yet realize what has happened to this old political stage-property, but as talk of future campaigns begins again, they find themselves minus one of the so-called "great issues," in fact, one over which great political conflicts have been waged, and parties driven from or elevated to national power. This is really the greatest accomplishment of the Wilson administration up to the present time, and one which was not enrolled upon the list of benefits to accrue to the people in return for the gift of control. It is, however, whether

accomplished wittingly or unwittingly, an unqualified blessing to the vast and varied business of the American continent.

American politicians are scanning the business field of their country with anxious eyes from their own particular and selfish point of view. The "ins" are looking for prosperity to continue them in favour with the voters. The "outs" would not view a period of dull times with the same dismay as their opponents, for, whether caused by bad crops or Government incompetence, general business distress would be charged against President Wilson and his following by the people at large. It was said that the late President McKinley was so firm a believer in the power for good of the Republican party, that he attributed the great harvests of the years of its ascendancy directly to its control of State affairs. While said humorously there is considerable truth in the old saw that "good harvests mean votes for the party in power," and if good harvests mark the next two years of President Wilson's administration they will make votes for him and his organization.

For some time past finance, business, and industry in the United States have been stagnant; in fact, the sag has been so great that severe strain has come to many concerns, and a few have broken under it. It cannot be said that there has been an acute panic, but

it would not have taken much to have brought about such an effect. The attitude of the general public to-day, affected as it is by the stagnation of the Stock Exchange and other ready-money enterprises, is pessimistic towards the immediate future. Behind all this there is a promise of better things, based upon a reality. The end of stagnation is in sight to those who deal with the needs of industry far into the future. The barometers of business conditions in America are the great supply corporations, touching, as they do, all lines of human activity. The orders they receive to-day are for work that only becomes visible to the public eye months hence, and their forecasts are based upon actual knowledge of what is going to happen, and not upon any general optimism. These barometers of the near future are now "set fair" for the months to come, and it is not unreasonable to believe the country is in the dawn of another era of good times. Even during the past months of depression there have been no tales of serious hardship in the Middle West and Western States. Business has been active, money fairly easy, and banks prosperous in consequence. It is upon the big industrial and financial centres of the East that stagnation has fallen, and, with this gone, the country will soon recover its normally optimistic tone of life.

One of the most serious features of American

industrial life is concerned with the persistent hammering by the Government, through the courts, of the great manufacturing and exporting combinations of capital. Through lack of control these industrial combinations, or "trusts," as they were called, grew with tremendous rapidity and acquired a power which they oftentimes abused. By the time public attention was called to these abuses in an effective manner they had spread far and wide, and business methods obviously illegal and against public policy had become part of the system of doing business in a big way. It was also true that these abuses had been tolerated for so long that interference was resented; in fact, from the point of view of men conducting these enterprises, they had become right and necessary to successful merchandizing on a large scale. The people, however, driven to desperation by the increasing cost of living, the driving out of the smaller firms, and the obvious control exercised through monopoly, high tariffs, agreements and other familiar methods, and the notorious corruption of legislatures and courts by those with power to buy or influence, demanded their curtailment.

Politicians then found it more expedient to attack, rather than to serve, the purposes of these business interests, and members of Congress and would-be office-holders vied with

each other in their efforts to pull down what in times gone by they had assisted materially in building up. Reform ran amok in this direction, and apparently there is as yet no check upon the fury, real and assumed, with which the pursuit of the "trusts" is being carried on. To break monopoly and to prevent abuse of money power, backed by far-reaching organization, is one thing, but to destroy the big business of the country when low productive cost is necessary to secure competitive power is another, and the wrecking of some of the most wonderful business organizations of the world is seriously threatened unless something happens to enable the public mind to discriminate between good and evil in the form of industrial enterprise. At present it would appear from the trend of political action as though it was all evil, for a great business is now a fair mark for any one appealing to the public for political support, and the man who dares lift his voice in behalf of an organized industry need hope for nothing and confidently expect nothing but disapproval. Whether a saner point of view will prevail in time, and prevent the utter destruction of the big systems of production, it is hard to say. The evil effects are already apparent, and not the least of these is the now existing antagonism between government and business, whereas the greatest gains to the people as a whole

would be intelligent and open co-operation between the two forces. This is really the most serious question with which President Wilson finds himself face to face, for upon him will fall the responsibility of deciding upon the limitations of the campaign against Big Business which is now being carried on in Washington. He will be judged in the future not only by his record of accomplishments, but also by the measure of his restraint in yielding to unintelligent clamour. His responsibility is great, for he will be called upon to strike the keynote for the entire party. He was elected in 1912 on his promises for the future. He will be voted upon in 1916 on his record of fulfilment.

CHAPTER IV

PUBLIC OPINION AND THE TARIFF

THE new tariff law of the United States is an attempt to express in figures and fixed terms the more or less vaguely understood wishes of a great majority of the American people. How nearly the attempt has been successful it will be possible to tell later in more accurate measure, but that the signing of this bill by President Wilson took the tariff out of politics, or in other words accomplished what has heretofore been held to be impossible, is unquestionable. The tariff is no longer a "local issue." If the Republican, Progressive, or any other political party succeeds the Democrats as a result of the next national election, no serious attempt will be made by the incomers to restore the higher tariff schedules of recent years, and no party would now dare conduct a campaign with a promise of universally higher import duties as its principal claim upon the vote.

Great national changes in policy, social, political or economic, are born "beneath the threshold of public consciousness." These issues are not created by any party, nor do they

originate in the teachings of any one man. Statesmen are those who, with exceptional vision and power of expression, give voice to the wishes and needs of a generally inarticulate public. The Republican party remained in power for many years, so long, in fact, that it achieved a blind faith in the power and righteousness of the party cause. For years public opinion in favour of a revision of the tariff, increased trade facilities with foreign peoples, and less protection for pampered industries, has been growing apace. Ten years ago a census of 2000 newspapers in the United States showed that all those with Democratic proclivities and two-thirds of those professing Republicanism, were in favour of tariff revision and reciprocity. The Republican party leaders, drawing their support as they did from the highly protected industries, and unwilling to enter boldly in upon new fields of political progress, clung to a high tariff as the one policy which would save the party, and incidentally the country, from disaster. They persistently kept a blind eye toward numerous danger-signals and turned a deaf ear to demands from the people for a more intelligently adjusted fiscal system.

There was, however, one distinguished prophet among them, and strange to say it was the man whose name above all is held to be synonymous with extreme protection.

An intimate personal friend of President McKinley was with him at his home in Canton, Ohio, when the President was preparing the now famous reciprocity speech he made later at Buffalo. Tariff matters were under discussion, and the friend, himself heavily interested in a certain industry, asked the President why he had permitted so high a tariff to be maintained upon his particular line of manufactured goods, at the same time stating his belief that it might lead to capitalization of earnings rather than assets, which in his opinion would be dangerous.

President McKinley's answer was : " For the best of reasons,—to have my bill passed," and then explained further, saying that he had felt it would be better to accept compromises and have the bill speedily enacted into law, rather than jeopardize it by antagonizing the most powerful interests, inasmuch as he had plans later on for reducing the schedules which were placed too high and for making reciprocity agreements with foreign nations, which would soon be necessary. President McKinley also remarked that his position as President had enabled him to widen his horizon, that his policy had been successful in holding the home markets for home manufacturers, and that it was now his hope that America would reach out for foreign markets as never before. He believed that with American resources and

initiative, American manufacturers would be able to compete with the European manufacturers in their own markets. There is no doubt that in the course of his residence in the White House, President McKinley evolved a fairly definite plan for future tariff revision and reciprocity, which would in time have led to many changes in the tariff law as it then stood, and would have opened the way to greater freedom in foreign trade.

After his plans were fairly well developed in his own mind he prepared himself to deliver a series of speeches which would convey to the American people his ideas as to what should be done. The occasion of the Pan-American Exposition was chosen as a fitting time for the first speech, one dealing with the need for greater markets for American manufactured goods. This speech was delivered, but it was to be the last as well as the first, for the President there met his tragic end. Those who were within his confidence at that time are aware of the plan he had in mind for a campaign for tariff revision and reciprocity on broad lines. It is profitless, though interesting, to speculate upon what effect such action would have had on the fortunes of the Republican party, had their leader and tariff expert lived to impress his views upon Congress. In the light of a careful analysis of the results of the last national election it is difficult not to

believe that the party would have escaped disruption and defeat had it profited by the wisdom of its former leader. It may be, however, that such revision as the tariff law would have received at the "hands of its friends" would not have been sufficiently drastic to accomplish the great and unexpected result of taking the whole question out of politics as has been done by a bewildered and astonished group of men, acting almost unwittingly as an instrument of the will of a non-partisan electorate demanding a reduction of the tariff and a curtailment of special privilege, but with the vaguest ideas as to how it was to be done and as to what the ultimate result would be.

The Democratic party was most certainly not given power in Washington with any idea in the mind of the voters that the tariff was thereby to be taken out of politics. No member of Congress, no executive officer of the Government, not even President Wilson himself, from the beginning of the campaign of 1912 to the present day of the operative law, has suggested this apparent miracle as about to take place. For many years academics, political purists, economists and non-partisan business men have upheld the desirability of putting customs legislation on a non-political basis, and of making changes therein only as demanded by the interests of public policy.

Committees, commissions and boards of various kinds have been appointed, and legislated in and out of office, in the attempt to hasten this end, but without practical results. For as many years so-called practical politicians have argued that such a thing was impossible, for the reason that so long as men were elected by local constituencies, each with their particular industries to be favoured and taken care of in every way possible, no candidate could successfully evade his responsibility to those industries which apparently ensured his majority at the polls. It is an accomplished fact, however, and those who in the future do more than criticize particular details of the law are wasting their time over a dead issue.

This is not to say that the present law is perfect—far from it; but its crudities, contradictions, injustices and mistakes will be corrected in the future in detail as they make themselves compellingly apparent. This will be accomplished through that process, anathema to the old-fashioned high-tariff politician, known as “tariff tinkering.” The present law needs a lot of intelligent tinkering, as would any measure of such wide scope and vital importance, enacted in a single session of Congress by men whose knowledge of the subject is not all that might be desired. It was probably the only way such a radical move could have been brought about. Great

determination and unyielding pressure; a certain amount of haste and disregard of detail was the only method for the success of what is in intent and purpose a revolutionary economic measure. It is to President Wilson that credit must be given for the stage management of the performance. Hesitancy in decision or too great regard for nicety of balance would have been fatal. The judicial mind would have been hopelessly swamped by a multiplicity of conflicting interests. In other words, the principle had to be rushed through, and the absolute details of its application left to future adjustment.

A great many members of Congress do not yet realize how it came about, and how it was they were apparently able to defy those to whom they had looked for practical political support and inspiration in the past, and vote for a measure which had been the rallying cry of a minority for so many years, without overwhelming political disaster to themselves. Many of these men attempted quite successfully to delude themselves and their constituents with the plea that the tariff must be lower to decrease the cost of living, for this was a cause which found willing recruits the land over, regardless of party lines, and was a campaign argument which went home to the pocket of every wage-earner. That this argument or rather reason for tariff reduction had little

real merit as a political battle-cry has been fairly well demonstrated already, for the new tariff has not brought, nor will it bring, spectacular relief to those upon whom the burden of the high cost of living falls with the most crushing force, nor will the people give any particular political faction credit for its enactment.

The explanation of this lies in the smallness of the actual import duty collected at the custom-house, even at a high rate, as compared with the cost of the article to the ultimate consumer, who is the fair game of every one, from the manufacturer to the retailer, including the host of middlemen who take toll of the goods passing their way. It costs the retailer about 20 per cent. of the wholesale value of the goods, to do his business. Before this 20 per cent. cost is incurred, the manufacturer or importer and the jobbers or middlemen must in many cases add their profit to the original factory or import price. After adding 20 per cent. to cover his own expenses, the retailer must add his profit, and with a majority of articles the final selling price is from 50 to 200 per cent. more than the producing cost. It will be easily realized, therefore, that the tariff, especially on material to be used in manufacture, does not constitute a large percentage of what is paid by the consumer to the retailer for the finished article.

The reasons for the high cost of living in America lie more in other things than in the tariff. They are found in the extravagance of the people, the dearness of rent, high wages for service, city transportation and all the minor expenditures for necessities and luxuries. It is on these items that the native-born European saves at home, and makes the cost of his living at least apparently lower than that of the American in his own country. It has been said of London with much truth that there is in that city more comfort and less convenience than in any other place. It is the convenience of American life for which the people pay, and grumble as to the cost thereof. These things, however, are not concerned with the tariff, and excepting for an occasional item, the tariff has little or no direct bearing upon the actual cost of living to the wage-earner or even to the man of moderate means. It will also be found on a careful analysis that in America the complaint as to the high cost of living comes mostly from those who through ambition or extravagance are largely responsible for high prices, and who have it within their power to cut their expenses by a considerable percentage any moment they have the courage and necessary determination to do so. Testimony to this effect can be had from the thousands who toil in city and country with no margin between their daily earnings and the cost of existence,

and also from those more fortunately placed, who spend less than they earn.

The appointment of a Congressional Committee to inquire as to the reason why a lower tariff has not cheapened the cost of living as was expected, is official and political confirmation of the facts as they are stated, and a realization of them has now dawned upon those who led the political fight for lower import duties. To say that a lower tariff will make no difference at all in the cost of living would naturally be untrue, but the difference, while possibly in some instances large in the aggregate figures of the purchases of one hundred million people, will bring no obvious relief to the average householder, because the benefit will either be spread over so vast a surface as not to be noticeable to the individual, or the reduction in wholesale cost will be absorbed by the middlemen who so jealously guard all avenues of approach to the ultimate consumer.

The retail purchaser of ready-made clothing, for instance, may consider himself fortunate if he does not pay more than double the factory cost of the article he buys, hence such cheapening of the materials or even of the articles themselves as may come from the lower tariff, and consequent foreign competition, will work out as such a small percentage of the retail cost as to cut little figure in the final selling

price. A 25 per cent. *ad valorem*, or value duty, is considered a fairly high tariff, and it approximates the average level of the entire import duty charged against imported goods by Germany, for instance, a country known as one of protected industries. Goods entered at the American custom-house are valued at the lowest possible price upon which the importer and appraiser can agree, and this price is fixed upon a manufacturing basis. If one quarter of the value of an article sold to the consumer lies in the imported material of which it is made, it follows therefore that only one sixteenth of this value represents the amount of duty paid, and this would be an unusually large proportion to allow as an estimate.

So far as cheapening the necessary articles of food bought by the average family, it is probable that if the country was on an absolutely free-trade basis there would be no appreciable lowering of prices below present levels. This is shown in the fact that the staple articles of consumption are, almost as a rule, sold for the same price in London as in New York, and that in some instances things are now cheaper in New York than they are in London, the great consuming centre of a free-trade country. This refers, of course, to the influence of the tariff alone, for with free trade it would be necessary to estimate the force of foreign

competition, the effect upon the American wage scale, and many other factors which in the end would tend to level prices throughout a world in which no tariff barriers existed. To lower the cost of living by cheapening the products of labour is not always a profitable transaction for a nation. To live in a country of cheap living means, as a rule, that other functions of life are measured by a like standard. The margin for saving is smaller and opportunity more limited. As a rule, the countries where living is dearer for the time than it is elsewhere are the countries of better living standards, greater opportunities, more rapid progress and more cheerful outlook generally.

Well within the memory of the present generation are the campaigns preceding the McKinley tariff of 1890, the Wilson tariff of 1894, the Dingley tariff of 1897 and the Payne tariff of 1909, each resulting in the enactment of a law making radical changes in customs duties and method of administration. The Wilson tariff of 1894 was the only law under a Democratic administration, and its enactment was accompanied by scandal and followed by the worst period of depression the country had experienced for many years. It was a law conceived in the light of intelligent effort, and borne in the darkness of Congressional intrigue and public suspicion. It did not have a fair trial before the country, for nature blighted the crops,

and the money markets of the world were so disturbed as to bring universal disaster to industry and commerce.

These misfortunes were seized upon by the advocates of higher protection as arguments in their favour, and a harassed people accepted them without much question. Within three years after the Wilson law went into effect the Republicans came back into power, and with the consent and approval of the governed, swept it aside and reinstated a high tariff level. It is more than possible that the nation and its utilities were not ready for the change, for the great expansion of industry of the past twenty-five years was just getting under way, credit was just beginning to enlarge, immigration had not reached its flood tide, and no such impregnable position had been attained by the great manufacturing interests as is now an accomplished fact. In the light of recent events, the tariff campaigns of past years are startlingly significant of the inadequacy of public opinion to deal with an economic problem so delicately adjusted in its relations to the material affairs of the people.

The stock arguments for and against protection as expounded by silver-tongued orators to excited mass-meetings in the heat of campaigning look ridiculous in these days, when with an air of nonchalance the people now refer to the recent drastic revision not only of the

schedules of the tariff, but the methods of administration, which failed to disturb the progress of the country beyond creating a period of dullness or waiting, due to a lack of information as to just what was going to happen. No factories have been closed, no bankruptcies have come, no rush of foreign goods has swamped American merchants as a result of revision.

To hark back to the political speeches of twenty years ago and recall the threats and prophecies, and counter-threats and counter-prophecies of those days, is to wonder what it was all about. The cause of all the trouble, all the misinformation, the heat of controversy, the blind partisanship, lies in the fact that the tariff was in politics. The campaign of 1912 carried just as serious a threat of lower import duties as did the campaign of 1888, and yet the tariff was barely touched upon in the later controversy by those who talked to the voters, as compared with the effort given to other issues. When wool sold for twenty-six cents a pound on the ranch, a candidate for high office stumped the wool-growing States of the West, solemnly assuring his hearers that if the eleven cents duty was removed, it would make just that difference in the amount which would be paid by the wool-buyers. When a little later wool sold for as low as seven cents per pound, with the eleven cents duty still in force,

the erstwhile orator was not there to explain the cause.

The favourite argument of the Democratic speaker on the hustings of twenty-five years ago was to recount the sins of the Republican party, and with withering sarcasm catch the crowd by reminding it that under a Republican tariff law, the country had been blessed with the free admission of "human hair, raw," and now the Democrats have put a 10 per cent. import duty upon this necessity—for some. On the other hand, the Democrats drew an alluring picture of peace and plenty which would follow tariff for revenue only. They told how the cost of living would be cut in half, and declared, by what authority they did not say, that while the working-man's receipts would remain at as high a level as before, all his necessary expenses were to be reduced to a negligible figure. These were palmy days for political speakers, facts and figures were at hand in great abundance, and with a little imagination and a resounding voice, the audience could be aroused to a high pitch of enthusiasm for what they wanted to believe, whether it was the prosperity which was to follow high protection or the millennium which was to come with free trade.

Public sentiment has changed universally towards the tariff in the last fifteen years. The free trade party has disappeared from public

view. Exponents of its ancient principles still linger in academic shades, or in the haunts of economic theorists, but they are few who now live in the rough and tumble of modern American life, and who have a practical knowledge of wise expediency, but are in favour of a tariff for revenue, carrying with it such degree of protection from foreign competition as will help and encourage but not confer dangerous privileges upon those engaged in manufacture and other forms of industry. Out of the welter of political warfare has come this great following of a moderate tariff ideal, and it is recruited from the ranks of all parties, and is no longer a party issue. The result earnestly desired by all the people is an intelligent adjustment of the customs, such as will produce the maximum of revenue, yield a working degree of protection for American industry, stimulate exchanges in the market, and end monopoly automatically when it becomes an imposition. In the existence of this well-defined idea among the majority of the voters lies the reason for the quite general disappearance of the tariff orator on the political platform during the campaign of 1912. For this same reason the general public had no great fear of possible Democratic success, and for like reason those in Washington upon whom fell the actual work of revision were able to accomplish their task in record time, and with less interference from

representatives of various interests than ever before.

Congress assembled on December 1, 1912, the tariff bill was introduced in the House of Representatives on April 7, 1913, passed the House May 8, passed the Senate September 9, was signed by the President October 3, and went into effect in its main provisions on October 4, 1913. When it is considered that this measure affected directly or indirectly the affairs of every man, woman and child in America, and that during the progress of enactment the country waited undisturbed to see what would happen, and when it went into effect resumed its former routine of business and quietly adjusted itself to the new law, it may be realized how ready the nation was for just such a change in the fiscal system.

With the Payne law of 1909, the United States adopted what is known as the maximum and minimum plan of import duties. That is to say, the minimum was given to all countries with which the United States had treaties, ensuring equal terms. Under the present law there is but one rate of duty. This can be varied by treaties with foreign nations, but such treaties must be enacted into law by Congress before becoming effective, or in other words, the present law can be amended along lines suggested by the State Department in its efforts to bring about better commercial rela-

tions between the United States and each separate foreign country.

Under the law of 1909 the average duty collected on dutiable goods entering the United States was 41 per cent. of their value at the port of entry. Under the present law this has been reduced to 30 per cent. Out of the total of \$1,590,000,000 (£318,000,000) worth of goods imported into the United States in a recent year, under the law of 1909, about \$780,000,000 (£156,000,000) worth were dutiable and \$810,000,000 (£162,000,000) worth entered free. Under the present law \$660,000,000 (£132,000,000) worth of this total import would have been dutiable, and \$610,000,000 (£122,000,000) worth duty free. The new law would have put import duties on \$30,000,000 (£6,000,000) worth of goods which came in free under the Republican tariff law, and have admitted free of duty \$140,000,000 (£28,000,000) worth dutiable under that law. Taking the whole import of the United States, dutiable and free, the law of 1909 assessed an average import tax of 20 per cent. and the tax under the present law averages 15 per cent. Expressing the change in the tariff in figures, but from another point of view, it will be found that of the \$780,000,000 (£156,000,000) of dutiable goods imported the duties on about \$45,000,000 (£9,000,000) have been raised from 16 per cent. to 28 per cent.; the duties on

\$185,000,000 (£37,000,000) remain the same, that is, 54 per cent.; the duties on \$425,000,000 (£85,000,000) have been reduced from 46 to 31 per cent., and the duties on \$140,000,000 (£28,000,000) formerly assessed at 41 per cent. have been made free; while \$30,000,000 (£6,000,000) worth, formerly free, have been made dutiable at the rate of about 13 per cent.

In pursuit of revenue the framers of the present tariff law transferred to the dutiable list many things which have heretofore been brought into the country free of custom, even under the régime of the highest protection. These articles are not very important to the American nation as a whole, and yet in the aggregate the new duties will amount to a considerable sum. Many acids and other chemicals now pay toll at the frontier. Amber, worth wholesale nearly \$10 (£2) per pound, formerly free of duty, now pays \$1.00 (4s. 2d.) per pound at the customs, and nearly 40,000 pounds of this product were brought to America last year. The \$200,000 (£40,000) worth of meerschaum imported in 1913 would have paid a duty of 20 per cent. had it been imported a year later. Ambergris, stuffed birds, coral, nearly all the fruit and nut oils, and Tonka beans, will now pay toll ranging from 10 to 20 per cent. of their value. The largest item is uncut diamonds, of which

\$10,000,000 (£2,000,000) worth came to America in 1913 free of duty, and this product is now yielding 10 per cent. of its value to the Treasury. Vanilla beans, formerly free, now pay 30 cents per pound, and nearly 1,000,000 pounds are imported annually. Spices to the value of \$1,200,000 (£240,000) will now pay 20 per cent. Bananas to the value of \$15,000,000 (£3,000,000) a year, now pay a tenth of a cent a pound. All books printed in a foreign language now pay 15 per cent. of their value, and nearly \$2,000,000 (£400,000) worth of this form of literature was brought into the United States last year free of duty. Ivory tusks to the value of \$1,500,000 (£300,000) will now pay 10 per cent., and, "human hair, raw," to the value of nearly \$2,000,000 (£400,000), will pay the same tax. In the effort to reduce the cost of living, manufacturing and farming, and in the attempts to break alleged monopoly, the new law places upon the free list many important articles which formerly paid customs duties. Many of the chemicals used in agriculture and manufactures, woods and extracts used in dyeing and tanning, cement, typesetting machines, shoe machinery, lumber, cattle and sheep, milk and cream, eggs, potatoes, bacon, hemp, wool, wood pulp, coal, gunpowder, and heavy gloves produced abroad can now compete with like American products of land and

factory, without handicap except in the cost of transportation from foreign lands.

The most notable reductions in the tariff schedules affect agricultural products and fish, the average duty being reduced from 32 to $18\frac{1}{2}$ per cent. On sugar the tariff is reduced from 54 to 40 per cent., with the proviso that sugar shall come in free after May 1, 1916. The reduction of iron and steel manufactures is a drop from 31 to $13\frac{1}{2}$ per cent., and on woollen goods from 88 to 38 per cent. Tariff on cotton manufactures is reduced from the old average of 56 per cent. to 49 per cent., silk from 52 to 46 per cent., and flax, hemp and jute manufactures from 39 to 21 per cent. All materials used in shipbuilding can be imported free of duty, and on all goods manufactured for export a rebate of 99 per cent. of the duty paid on material used in the manufacture will be returned by the Government. Goods coming to the United States in foreign vessels are subject to an extra tax of 10 per cent. unless the country to which these vessels belong is in treaty relations with the United States, and, as this is the case with all countries this tax is practically inoperative. A clause which gave rise to considerable controversy provides for a 5 per cent. reduction in duty on all goods brought in American vessels, but this has been held to be inoperative owing to existing treaties. The President of the United States is

given the power to impose a duty upon goods coming from other countries which would otherwise enter free, if such countries impose a like duty against American products. Wheat, for instance, although it is now on the free list, pays a duty of 10 cents a bushel if coming from Canada or Argentina, because of the fact that these countries impose a like tax upon United States wheat when imported. The President also has the power to impose a duty on goods coming from countries which pay a bounty for the production of such goods. All products of the non-contiguous territories of the United States, as in the case of the Philippines, are either admitted free or at duties considerably less than from other countries.

It is necessary to have taken this brief survey of the figures of the present law to really understand what has been done by those who undertook to revise the tariff. The actual changes made in the import duties on manufactured goods are not as important, however, excepting in the expansion of the free list, as the changes in governing principles and what these may lead to in the life of the nation. It is an enormous responsibility for any body of men, however representative such body may be, with many of its members necessarily ignorant of the subject, to undertake a revision of a fiscal system so interwoven into every human activity as to leave no member

of the community unaffected. The alleged objects of the change were said to be the mitigation of the world-wide increase of prices in their effect upon the United States; elimination of monopolistic tariff effects in industry, arising from excessive protection; the retention of such duties as would ensure for American industry fair competition in home markets; the promotion of export trade by means of negotiation with foreign countries and restriction of competition in the American possessions through preferential treatment. The only method whereby prices can be materially lowered is through competition, from places where production is cheaper than in the United States. By retaining a far from low level of protection on almost all manufactures, this has been made impossible to any marked degree. The United States with its 30 per cent. average of import duty is still the most highly protected country in the world, with the possible exception of Japan.

The question of monopolistic tariff is controversial. That monopoly has been aided by the tariff is undoubtedly true, just as it is also true that all manufacture has been aided. It is extremely doubtful whether any alleged monopolies, such as maintained by the manufacturing combinations which have recently come under the legal displeasure of the Government, even if the charge be proved, have been

created or even materially sustained by import duties. Combination, organization and power to secure special privileges have been the secrets of "Big Business." It has shared in the benefits of protection, but no more than those outside the wide-flung lines of its combinations. The promotion of export trade means the promotion of import as well. Both beneficial if well balanced, for successful foreign trade, is an exchange of commodities, not a one-sided sale. For generations the American people have been taught to believe that exports must exceed imports, or the country was going to the dogs. The "horrible example" afforded by Western Europe, where 400,000,000 people import each year \$5 *per capita* in value more than they export, was taken as an illustration of the rapidly diminishing productive power of the Old World. The idea that this \$5 *per capita* excess of imports might represent the trading profit on the export, or the inflow of interest from foreign investments, does not seem to have occurred to the orators who assailed the ears of the voters in pre-election times.

The excess of American export over import means that this excess represents the money paid to foreign carriers, money sent home by aliens, the expenses of Americans travelling or living abroad, and interest paid on American securities held in other lands. America is,

in truth, a great debtor nation, and it will be many years before her people become a creditor or in other words a lending community. When it is realized that in round numbers the English people have £3,200,000,000 invested abroad, Germany £1,600,000,000 and so on through the list of European states, the secret of the European excesses of import over export becomes startlingly apparent. No one thing so clearly illustrates the axiom that foreign trading is an exchange of goods, as does this balance of trade. If a nation imported only raw or partially manufactured material, the export of the finished product might show an excess in value over imports—for a time, but no country would long trade with a nation which attempted to conduct so one-sided a business. The profits made on finished products when sold abroad must be exchanged for merchandise, or the money left abroad for investment, and not shipped back in the form of actual gold or gold value. If the latter course were pursued for long, the exporting nation would find its sales decreasing, for the customer would turn to those who were willing to exchange rather than to sell. All foreign trading is reciprocal in its benefits, or should be, to perfectly fulfil its function in international economics.

There is a much wider application of this principle than is found in the actual marketing

of products, for when two countries are mutually beneficial in matters of trade, the two peoples are brought into closer relations, there is an exchange of all the courtesies and humanities as well as of goods, and a bond of friendship is woven between the nations, which, assisted by material business, or even originating therein, leads to heights sufficiently lofty to satisfy the most impatient idealist who would make the humanity of the world a common brotherhood. This is the result of a community of interest, brought about by a community of material progress. One of the most striking illustrations in all history of the power of international trade to restrain two nations from open hostilities is the present situation between England and Germany. The community of financial and commercial interests between the English and German peoples is hardly realized. A failure in Hamburg is a disaster in London, while a panic in London finds its echo in a concurrent catastrophe in Germany. It is this grave menace to community interests which has helped to bring reflection, self-control, conservatism, and finally a continuation of peace, at times when guns were loaded, men and ships were ready, and war seemed but a matter of the coming day.

The American nation is happily free from international intrigue to a great extent by geographical position and lack of territorial

ambitions, but there are great necessities for the future of American industry, and to cultivate friendly business relations with other peoples, that foundations may be laid for a fair and free exchange of merchandise in the future, is a first and necessary step towards an expansion of markets to meet expanding production. That this can be done without danger to home industry has been demonstrated. For diplomatic and many other reasons, no foreign nation shows any partisanship in American politics. It is obvious, however, that without exception all foreign peoples have hoped for a victory of the low tariff advocates in the United States. Such a victory is expressed in the enactment of the present law, and great hopes were aroused among foreign manufacturers as to the future of their export trade in American directions. It is interesting testimony as to the moderateness of the tariff reductions just made, that there is a decided disappointment prevalent in Europe, and a positive reaction against the hopefulness of a year ago. Not only has it been discovered that the new tariff will cause no vast boom in the import of foreign manufactured goods into the United States, but it is also realized that the entry of raw material and foodstuffs into the United States free of duty will assist American manufacturers to compete with greater vigour abroad in the finished products,

and will have a tendency to raise prices of both raw material and food to European peoples. A general indifference to the possibilities of any great increase in trade with America as an effect of the new tariff law has resulted, and has shown itself in many ways, in fact the situation, so far as the foreign manufacturer is concerned, may be said to remain almost as before, or even still more to his disadvantage.

Free raw material, moderate protection where it is needed to balance the lower cost of labour abroad, and a tariff which, being moderate, acts as a governor on home prices, where there may be danger of monopoly, constitute an economic creed strongly entrenched in Europe. It is not, therefore, with entire satisfaction that the European realizes that America has probably strengthened its industry by adopting this belief. The advantages of increased foreign markets for American products are obvious and do not need to be set forth. They have long been advocated by every one, and endorsed in every political creed. There is, as stated, but one way to get them, and that is by increasing the home market for foreign products, thus following the natural law of exchange.

The advantages of free raw material are that the home supply can be supplemented or material imported that is not produced in the

country, thus not only reducing the cost of manufacture, but making new manufactures possible. Not many years ago a large firm of carpet manufacturers in America, finding its warehouses overstocked, sent a traveller to England with several bales of sample rugs. This was indeed to all appearance carrying coals to Newcastle. The traveller returned in a few weeks and made his report. It was to the effect that if the United States would admit carpet wool free of duty, and thus reduce the cost of the raw material to the manufacturer he would guarantee to sell American-made rugs at a profit at the doors of the English factories. Carpet wools are not produced in the United States to any extent, but Congress has always been so fearful of the possible results of "tariff tinkering," as it was called, that no such suggestion ever got farther than the committee rooms. Conditions may have changed since the days of the incident related, but it is a homely illustration of the urgent need for a scientific adjustment of the tariff to the individual peculiarities of American business.

It has always been an American principle that necessities should be lightly taxed, and that luxuries should carry "all the traffic can bear." This principle has been adhered to in the present law. Luxuries of food and dress now pay nearly the same import duties as they did under the law of 1909. In countries where

the rich govern for their own convenience, as, for instance, in most of the Central and South American states, it will be found that champagne, diamonds, high priced clothes and other things consumed or used only by those favoured by fortune, are admitted at duties which seem trivial, as compared with those collected at American custom-houses. On the other hand, the food and clothing of the people are heavily taxed. This is also made to yield an individual profit to the capitalists of the country, for they own the land on which the corn is raised, and the mills in which the coarse cotton cloth used by the poor is woven.

The inspiration animating the Government of the United States in the act of revenue-raising finds its origin in the reverse of this idea, and whenever a party has violated this intention so incorporated into the foundations of American life, the people have administered an unmistakable rebuke. The recent mandate for tariff revision stipulated that it should be carried out on these lines, or, in other words, that those who could best afford should pay the bills. There are unquestionably instances where the lowering of the tariff works injury to individuals, both capitalists and workmen, but the greatest good to the greatest number will in the end bring about a compensating balance. Raw material in sufficient quantity and at low price is not all a manufacturing

nation needs. Consumers are entitled to purchase at a reasonable figure the products of labour and ingenuity the world over. These differ amazingly with different nationalities, and it would be a sad day if the modern nation found itself restricted absolutely to the products of its own territory and the handiwork of its own people. There is no question that the influence of an extremely high import duty which has prevailed for some years past has been to create some of the monocolour effect of American life which foreign travellers are quick to note. So long as the American manufacturer is given a reasonable degree of advantage in competition with foreign products, through a tariff which compensates him for higher labour and other costs, American consumers are entitled to the advantage of a foreign import which will add to and vary the home supply, and keep prices down to a proportionate international level.

The handicap of the cost of transportation, and an average 30 per cent. import duty on foreign goods, is enough to do away with any competition which might in any sense of the word be called unfair. The disadvantages of a small reduction in a high import duty, so far as the consumer is concerned, lie in the simple fact that he does not get it. In the matter of lace, for instance, a reduction of 15 per cent. in the duty means nothing to the retail power.

It is merely additional profit to the merchant. The importer must account for it to his wholesale customer, but from that on it is lost. In the meantime the Government is minus the revenue, and it is a question whether the added profit to the merchant is not an unfair distribution of the possible benefits of reduced taxation.

In the effort to put an end to alleged monopoly, the Democrats have greatly reduced or taken off altogether the import duty upon certain so-called "trust products." This form of retaliation is unintelligent, and usually ineffective in bringing about desired results. The manufacturers of these products have probably in many cases long passed the stage where protection did them any good, or free trade could do them any harm. During the tariff hearings preceding the enactment of the present tariff law, many of these manufacturers failed to appear, and most of them ignored the threat of a lower tariff as a matter towards which they were utterly indifferent. The reason for this is found first, in their domination of the home market, this not being concerned with the tariff but with their producing and selling powers. Secondly, nearly all of these great American manufacturing concerns have created plants in foreign countries to supply foreign markets in competition with foreign labour. In some instances these American firms under foreign guise play just

as important a part in the local industrial situation in England, Germany, France, Austria, Italy, Russia or elsewhere as they do in the United States. The American Government, by putting these products on the free list, has created what may prove to be a peculiar situation, not at all favourable to American development.

The average wages in England are 40 per cent. less than in the United States. In France and Germany they are 50 per cent. less. An American factory in England, France or Germany, masquerading as a European concern, can compete with the American home plant of its own company with a considerable margin of profit. The suggestion immediately arises that it may be found more profitable for American enterprise to enlarge European facilities and ship to the United States, rather than to expand in America and ship to Europe. It is true that the net profits of the European plants find their way largely into American hands, but American labour and material industry, local and general, do not share in the expenditure incurred in the cost of production. This goes to foreign purveyors of material and to foreign labour. The expansion of the free list as a method of retaliation is not always sure to produce the results intended, and it may be found that the features of the present law which are of this nature will prove

boomerangs to the politico-economic saviours of their country.

Government attacks upon the large industrial organizations of the United States led to a general movement to manufacture abroad instead of exporting from America. Expansion along these lines has been going on quietly but extensively for several years past, stimulated by every fresh attack at home. A warm welcome has been extended to American enterprise of this kind in almost every foreign country, and their laws not only permit, but their Governments encourage, the building up of great industrial combinations as being the strongest forces for supremacy in trade, both interior and international. Now that the way to the American consumer lies open through the custom-house for these particular products, it will be interesting and important to note the coming struggle for balance of power between the American home plants and their foreign protégés. In cases where the product of such industries has been put on the free list, it can at least serve no beneficial purpose to the American consumer, and may possibly work to his confusion and loss.

A feature of the present tariff law yet to be exploited is the extraordinary latitude given the President of the United States in negotiating commercial treaties with foreign countries.

It is true that before these treaties can become

effective they must be approved by Congress, but that Congress contemplated more radical treaty-made tariff changes than have been customary, is shown in the clause which empowers the Executive to negotiate treaties whereby concessions might even be as great as to provide for absolute free trade. Under the present law Canada secured nearly as much as was offered in the proposed reciprocity treaty, but has given nothing in return. As the present law still retains certain duties on agricultural products and provides for a retaliatory duty on wheat so long as Canada maintains any discrimination against the United States, it is probable that in course of time a treaty will be arranged between the two countries which will bring about practically the same status as was proposed in President Taft's reciprocity agreement. English satisfaction at lower duties on English goods brought into the United States is tempered by the possibility that the increased export of Canadian produce to the United States, which is already under way, will lead to a diminution of the supply from Canada available for European consumption, and result consequently in higher prices in Great Britain. The prices of staples, however, always find an international level, modified only here and there by tariffs or local conditions, so it is more than probable that English fears have small grounds upon which to rest.

A splendid vista for the future of American foreign trade opens out in the possibilities of commercial treaties which can be made under the present law. In all such negotiations in the past, American representatives have been hampered by hard and fast lines drawn by the law itself. No such limits are now imposed, and if Congress will stand behind the Administration in an effort to place American foreign trade relations upon a basis of mutual advantage there is practically no limit to what may be accomplished. There are three general classifications of tariff laws. There is the single tariff, the maximum and minimum, and the conventional. The maximum and minimum has been tried, and its serious limitations quickly discovered. The present tariff is what may be called a single tariff, but with the co-operation of the treaty-making and the legislative powers of the Government, it may become a convention or treaty-made tariff, the most intelligent and scientific fiscal system in existence. Germany adopted this method of determining import duties many years ago, and it has worked with fewer disadvantages and better results than the tariff law of any other country. In course of time, when treaties have been made by the United States with all the principal countries, the present single tariff will have become a conventional tariff through a process of evolu-

tion by commercial agreement. Under such a law the peculiarities and needs of each country can be studied, and treaties made to fit each case, whereas under any other form of tariff law there are hard and fast limitations which apply to all, without regard to the advantages which might be gained through individual international bargains. Under the recent law, goods entering the United States were valued on entry, either at specific duties or by a combination of specific and *ad valorem*. That is to say, merchandise paid a specific duty of so much per piece or so much per pound, as the case might be, and also a percentage upon its value. Specific duties are fairly universal now throughout the world. It has been left to the United States practically to abandon the assessment of specific duty and base collections almost entirely upon values. Specific duties are easier of estimate, for there is nearly always controversy as to valuations. It remains to be seen whether it was wise to adopt this method, and it is to be hoped that the administration of the law will not be so conducted as to nullify its purpose, and that it will not lead to endless controversy with other Governments, and countless lawsuits against importers.

It would be unfair to attempt now an estimate of the effect of the present law upon American commerce and industry. Principles

practically new to America have been adopted, but they have been tried elsewhere. The reign of excessive protection is at an end, although the United States is still what the rest of the world would call a highly protected country. If it is true that high tariffs are responsible for the high cost of living, this will be demonstrated in time by a welcome reduction in the household bills of every American family. The principle of free raw materials has long ago been adopted by other great industrial countries, and it was high time America fell into line. There are injustices and economic errors in the law as it now stands, though none of them is fatal to its ultimate success.

The present tariff law attempts to express the wishes of the American people. How successfully this has been done time alone can tell, and those who attempted to render these wishes articulate will stand or fall by the final verdict as expressed by a non-partisan electorate—for the tariff is now out of politics.

CHAPTER V

THE OVERTAXED MELTING-POT

IN the last year of his administration, President Taft vetoed an immigration measure passed by the American Congress, because of a clause requiring an educational or reading test of every alien coming to the United States to take up his residence in that country. The Bill was returned to Congress for action upon the veto, a two-thirds affirmative vote being necessary for the measure to become a law over the disapproval of the President. The Senate voted four to one against the President, although his party was in power in that body. The House, although in political opposition to the President, failed by a few votes to sustain the Senate, so the measure was finally lost. The same Bill under different guise is once more before Congress and will in time become a law with the sanction of President Wilson, though at present writing he is reported to be of open mind for or against it. And in the end it may have to be modified to meet his views when these become a fixture.

This new measure is practically the same as that of the previous Administration, excepting

that a clause has been added forbidding the coming of aliens "who advocate or teach the unlawful destruction of property," this presumably being intended to cover the case of alien militant suffragists bent upon a propaganda of violence, as well as anarchists, who have been specifically prohibited from entry for many years. No reference is made in the proposed law to Japanese or Hindus, although the admission or exclusion of both these races is a live issue not only in the United States but in Canada as well. An effort was made to deal with these questions in drafting the bill, but upon more mature consideration, and in deference to the already great difficulties of the diplomatic department of the Government concerning these very matters, any mention thereof was omitted. There was also fear of engendering opposition to the measure as a whole, and consequently delaying its enactment, even possibly bringing about its ultimate defeat, through another Presidential veto or Congressional opposition, if the Japanese question was touched upon. The new measure proposes several changes in the administration of the law of exclusion, but these are technical and involve no change in purpose or principle.

For some years past there has been a strong sentiment in the United States in favour of drastic measures for the restriction of immigra-

tion. In times of business depression, the evils of a large yearly importation of unskilled labour were made clearly apparent, but as each period of depression was followed by a time of renewed industrial expansion and optimism, these evils apparently disappeared, at least to the public eye, surplus labour was absorbed, and alarm subsided for the time being. In the meantime, however, public sentiment has waxed continually stronger in the direction of greater conservatism in adding to the body politic and social a vast quantity of raw human material such as is now being dumped upon the shores of America. Societies have been formed, prominent men in all walks of life have identified themselves with the movement, and it has become evident that as time goes on it will surely be made increasingly difficult for immigrant aliens to enter the United States. The first tangible result of this agitation has been the tightening up of the naturalization laws, and a full five years' residence, with certain mental qualifications, and acquired knowledge of American affairs, are now necessary for an alien to secure his "final papers" as a full-fledged American citizen.

Many Bills have been introduced into Congress, proposing to check the immigrant flow; some of these were practical and others impossible. None of them succeeded in securing sufficient support to become a law. In Presi-

dent Roosevelt's time an imposing commission was appointed to report to Congress the real condition of affairs. Like nearly all such commissions, it remained in existence for a long time, and was only terminated by Congress refusing to appropriate further funds for its maintenance. As it was, it cost the country nearly £200,000, its work extended over four years, and the results were forty-three large volumes of testimony, reports and conclusions. At one time the clerical force of this commission numbered nearly 600 people. Not one of the recommendations made by the commission was adopted, and in fact some of them were so devoid of practical common sense and political sagacity as to throw considerable doubt upon the character of the entire work. One result did accrue, however, and that was the discovery of an organized white slave traffic, such discovery being followed by prompt action on the part of the Government, and under the authority of laws already in existence, much was done towards breaking up a nefarious business which, unrealized by the public, had attained vast proportions. It was found that the headquarters of this white slave traffic were maintained in London, Paris and Vienna, New York being the receiving station. It was shown that one man had made an annual profit for himself out of the business amounting to approximately £40,000 a year.

One recommendation made by the commission, and one which has found many supporters, was a proposed numerical restriction of immigration, or, in other words, that only a certain number of people should be allowed to enter from a single foreign country in one year. This form of restriction is so unscientific and indefensible, from almost any point of view, that it has had slight chance of becoming a law, and probably never will. So far as it is possible under the direction of law, and so far as the human administration of such laws makes it possible, intending immigrants into the United States are now required to come up to a certain standard before being allowed to land. They must be physically fit, free from mental disorders, have no discoverable record of crime* behind them, and give promise at least of being self-supporting from the time of entry. Chinese labourers are refused admission altogether, and no labour excepting in domestic occupations can come to the United States under contract. This is the present law stated baldly. The Government also retains the right indefinitely to deport any alien deemed to have become undesirable after being admitted.

There are a thousand variations in the conditions under which people arrive, and each case is judged on its merits, within such legal authority as is given the port officials. Under

the proposed law it will be necessary for each immigrant over sixteen years of age to be able to read with more or less fluency in some recognized language or dialect, in addition to measuring up to the physical and other standards already imposed. It is estimated that this reading test will reduce the immigration from some countries as much as 40 per cent. The wisdom and justice of such additional tests is seriously questioned by many. A score of American college presidents have gone on record as opposing it, and it is not at all difficult to cite innumerable cases where the parents of prosperous and highly-esteemed American citizens of to-day would have been barred from entering had this restriction prevailed at the time of their emigration from their native land.

One of the strongest forces against any limitation of immigration into the United States has been the Hebrew element in the population, and this can easily be understood, for any degree of strictness would bar the way to a large percentage of emigrants from Russia, Austria-Hungary, and some other countries. Possible Hebrew opposition to the proposed reading test has been taken care of, however, by a clause in the law which forbids discrimination against those who are "seeking admission to the United States solely for the purpose of escaping from religious persecution." The

adoption of a reading test is such a radical departure from previous policy, and is of such importance to the people of Europe, that it is perhaps worth while to give the exact reading of the Bill as it may become a law. It is as follows—

“That after four months from the approval of this act, in addition to the aliens who are by law now excluded from admission into the United States, the following persons shall also be excluded from admission thereto, to wit—

“All aliens over sixteen years of age, physically capable of reading, who cannot read the English language, or some other language or dialect, including Hebrew or Yiddish; provided, that any admissible alien, or any alien heretofore or hereafter legally admitted, or any citizen of the United States, may bring in or send for his father or grandfather, over fifty-five years of age, his wife, his mother, his grandmother, or his unmarried or widowed daughter, if otherwise admissible, whether such relative can read or not; and such relative shall be permitted to enter. That for the purpose of ascertaining whether aliens can read, the immigrant inspectors shall be furnished with slips, of uniform size, prepared under the direction of the Secretary of Labour, each containing not less than thirty nor more than forty words in ordinary use, printed in plainly

legible type in the various languages and dialects of immigrants. Each alien may designate the particular language or dialect in which he desires examination to be made, and shall be required to read the words printed on the slip in such language or dialect. No two aliens coming in the same vessel or other vehicle of transportation shall be tested with the same slip."

It is understood that President Wilson is impressed with the case against such a restriction, and he may suggest that it be made less severe, but as it now stands it has the support of a large majority of Congress in both Senate and House. There are now living in the United States about 1,700,000 people who were born in Ireland, 846,000 born in England, 234,000 born in Scotland, and 94,000 born in Wales, or a total of 2,869,000 born in the United Kingdom. It would be interesting to know what percentage of these would have been refused admission had a reading test been enforced at the time of their emigration. It would undoubtedly have proved a serious check on the movement of population from Ireland especially, and in the future, when this test has been made a requirement, it will probably act as a deterrent from the still large Irish emigration to America. In earlier years there was no other place to which these people could

go with any assurance of bettering their condition. Now, however, the British Colonies offer equal, if not better, opportunity for British subjects, and it would appear that the proposed American restriction will have a tendency to increase the percentage of emigrants from the United Kingdom to Canada, Australia, and South Africa, which countries, though fairly strict in their supervision of incomers, do not require an educational test, and probably will not for some time to come. The United States is no longer encouraging immigration, whereas the British dependencies are still anxious to secure new population.

One of the greatest stimulants to emigration is the cheapness of the Atlantic passage, the profit therein to the steamship company, and the fierce competition for this class of business among transportation agents. Nearly every European country has been compelled to enact and strictly enforce laws forbidding emigration propaganda, and restricting the activities of steamship agents. In Italy it is even illegal to send out any form of advertising matter other than sailing dates, but none of these restrictions has apparently had much effect in checking the tide of refugees from economic conditions seemingly oppressive as compared with those to be found in America. The departure of an emigrant from Europe is, as a rule, the starting of an endless chain. Money

is sent back to pay the passage of others of the family, or even of friends, and nearly half of the business originates in this manner. In a single year as much as £20,000,000 has been sent from America to Italy by emigrants from the latter country who are sending their money home to support their relatives, or for the purpose of prepaying the passage of others who wish to follow on. Nearly as large an amount goes annually to Austria-Hungary, and in all probability not less than £50,000,000 is sent from the United States each year from the earnings of immigrants to their respective native countries. As the total amount of money brought into the United States by immigrants seldom exceeds £4,000,000 in a single year, it is evident that the outflow of wealth is one of the great factors in the excess of exports over imports recorded of American trade.

It is estimated that about 30,000,000 immigrants have entered the United States in the past one hundred years. Naturally the character of this movement has changed enormously at various periods. The emigration to America in the nineteenth century was largely from the United Kingdom and northern Europe, that is to say, Teutonic, Celtic and Gallic. The movement of population for the last fifteen years or more has been from southern and eastern Europe, Latin and Slav in

character, with a strong admixture of Hun and Levantine. The movement from the United Kingdom is still large, but that from northern Europe has almost ceased. In 1884 nearly a quarter of a million Germans went to the United States, while in recent years the total immigration has been less than 50,000 annually. The great rush of the past decade has been from Italy, Austria-Hungary and Russia, and it is the vast numbers of these people in America which has brought about the movement for a restriction of immigration. The average number of immigrants admitted annually to the United States for the past five years has been about 860,000. From this number must be deducted those who leave. For five years past the average number of departures annually has been about 290,000, leaving a net annual increase to the population through immigration of about 570,000. A larger percentage of desirables leave the country than enter it, as the return to their native land implies, as a rule, thrift and enterprise. It is interesting to note that in these same five years past the emigration from the United Kingdom has averaged 375,000 annually, while immigration has averaged 320,000, a net loss to the population of 55,000 per year. These figures are not as favourable even as they might be, for while a vast majority of the emigrants are British born, 144,000 out of the 320,000 immi-

grants were aliens, that is to say, the alien immigrant is, in the United Kingdom, displacing the British-born citizen, labourer or artisan.

In the past twenty-five years the value of the products of manufacture in the United States has nearly trebled, and all other industry has kept pace with this tremendous growth. This has only been possible through the immigration of millions of labourers, and if the restrictions on entry had been as severe in the past as it is now proposed to make them, no such development would have been recorded. This is the great advantage which has accrued from the inflowing tide, for these new-comers did not to any marked degree displace the native born; they were needed to supply the constantly increasing demand for labour. On the other hand, a heavy bill of damages has been paid by the nation for this industrial expansion. The cities have been filled to overflowing, alien communities have been built up within the walls, the public-school system has lost something of its original value to the native born, and all charitable, reform and penal institutions have found their principal reasons for existence in the care of these adopted sons and daughters and their offspring.

The digestive power of the melting-pot has proved to be marvellous beyond belief, but ominous signs of indigestion and distress have

been apparent recently. The evils of this large immigration are felt more acutely in what may be termed the middle and lower class life of the country. There are few indications of any effect upon the Government or the principles upon which it is conducted. By the time the immigrant or the descendant of an immigrant becomes so educated or prosperous as to take effective place in the life of the community, his whole character has changed, and in most cases he has become as representative an American as may be desired. The only exception to this is in the larger cities, where alien colonies have a direct and malign effect upon local politics. New York City is a notable example of what follows the ascendancy of an un-American element at the polls, and it has been only through the herculean efforts of the more intelligent and responsible class inspired by American ideas, that any balance of power has from time to time been regained. There is now a very strong public sentiment in favour of putting a "house full" sign on the gates of the nation, and while this will not come to pass, there is no question that with each succeeding Congress renewed effort will be made still further to check the inflow.

Among those who are opposed to immigration are many alarmists, who are apt to overstate the evils and under-estimate the values of a wisely regulated influx of aliens. The

United States has not yet reached the limit of growth; in fact, it has been estimated that, scientifically tilled and industrially developed, the country could support a population of 400,000,000, or four times the present number. The growth of the future must necessarily be slower, however, than the growth of the past, and the great problem is to keep alien influences well in hand, that they may not bring disaster to the original scheme of things. The present tendency of legislation appears to be dictated by panic rather than by common sense or by any well-thought-out plan. The theoretically perfect control of immigration is much the same in principle as that exercised over community water supply. To see that it is plentiful, that it is of the best quality, free from possible pollution at the source, and that it is properly distributed, is the duty of a popular Government, and if this principle is applied to immigration there can be no objection to the strictest supervision and discrimination in putting it into practice. To secure and welcome the best, to reject the undesirable, and to distribute new-comers throughout the country so that the supply of labour be uniform and cities are kept from abnormal growth in the tenement and slum districts, is the logical course of a wise and just selfishness on the part of any nation jealous of its political and social integrity.

To apply a numerical restriction might keep away those who were wanted. To say that a man must know how to read does not guarantee the safety of the community, for it is a notorious fact that the most dangerous citizens are, almost as a rule, better educated than the most harmless. The agitator, the corruptionist, the preacher of violence, or the assassins of rulers, in monarchy or republic, have been, almost without exception, men cultivated beyond their fellows. There are millions of sturdy, honest, agricultural labourers in the world to-day who can neither read nor write, yet whose labour and industry would be welcome in the most enlightened lands, and whose manner of life would be entirely unobjectionable. The problem is not an easy one for any nation. Out of the 1,200,000 who applied for admission to the United States in 1913, about 20,000 were rejected on arrival, and during that year nearly 4,000 were deported who had been admitted but who were found to be undesirable after a short residence in the country. The steamship companies are compelled to carry back those rejected without further charge. In consequence of this they are careful not to embark any one who is found to be inadmissible. The care taken at American ports to see that the immigrant measures up to standard is shown in the fact that the transportation companies were in error in these

20,000 cases, and paid the penalty in every case. If the intending immigrant be proved insane, and in several other cases, the carriers are fined heavily, in addition to providing the rejected passenger with a return ticket. At times the arrivals at Ellis Island, New York, are as many as 20,000 in a single week, and it is manifestly not possible to give each case the proper scrutiny, so many enter who would be barred under more careful administration of the law. This branch of the United States Government work is made practically self-supporting by the imposition of a head tax of \$4.00 (sixteen shillings) on each immigrant. It would be a legitimate expenditure of money raised by general taxation to so increase the efficiency of the service and the severity of the application of the law, even to a considerable financial loss, as to make it practically impossible for a mentally, physically or morally undesirable to enter in. This would be a far more intelligent way to reduce the number than to fix any arbitrary numerical standard or educational test, neither of which have aught to do with the possible real value of the immigrant to the nation which is admitting him to membership.

CHAPTER VI

THE AMERICAN PEOPLE AND THEIR DIPLOMATS

ONCE upon a time, not long ago, an American woman travelling on the Continent shipped her trunks to Paris in care of the American Ambassador. She wrote a note to her country's representative sending him the keys to her luggage, and asked him to unlock the same and take therefrom certain articles of underwear to be used as a sample in the purchase of more. He was instructed to make these purchases, repack the trunks and ship them to Cherbourg, where the owner was to take the steamer for home. The woman said in her letter of instruction that any money expended by the Ambassador in making the purchases would be promptly refunded on receipt of bill. An hour spent in the reception of any American Embassy, or Legation, during the busy season of travel will yield to the observer much information, much amusement, and not a little wonderment at the naïveté, and in some cases the downright "cheek" of the average traveller abroad. It is a never-ending procession

of callers on errands of every conceivable character.

The lost baggage the Embassy is expected to recover, the presentations at Court, cards of admission to forbidden places, invitations to exclusive functions, and the loan of money to pay bills accumulating owing to "delayed remittances," or to pay fares home for those who have under-estimated the cost of their travels: these are but a few of the matters which must be disposed of by the American Ambassador, Minister, or the secretaries. It must all be done with tact and adroitness. The requests to be granted require keen discrimination, and those refused to be denied in such a way as to incur no animosities and lead to no trouble at home for the holder of the diplomatic post. For who knows, perhaps the applicant is a near relative of a United States Senator or other influential person, whose objection may hold up a reappointment or even hasten a recall. Such things have happened, and the proudest heads have fallen before the onslaught of some irate female upon the White House or the State Department. The citizens of no other country utilize their representatives abroad in matters of personal convenience as do the citizens of the United States.

These tales of extraordinary demands, made upon America's diplomatic representatives

abroad, are not those of years ago, when our people were less familiar with European travel and customs, for it was only during the past summer that an American lady, well known as a leader in the feminist movement, telegraphed from London to the American Minister in a mid-European country, instructing him to arrange for her an interview with the Queen of that country at seven o'clock in the evening on a certain day, as the sender of the wire would not arrive until five in the afternoon of that day, and would leave by a later train the same evening. The American Minister dutifully conveyed the message to Her Majesty, who in this case was indeed most gracious, but as she smilingly explained, she had a State dinner on the evening in question, and as much as she regretted being unable to meet this distinguished American, it would be impossible at the hour on the date named. Such demands upon the American Diplomatic Service abroad have not been confined to women, but it is notable that nearly all American men who travel nowadays have achieved more or less vividly a different conception of the purpose of diplomacy, one which may be briefly interpreted to stand for the upholding of the dignity of America as a nation, and the advancement of American interests abroad. This is the standard set by other great nations, and the

ideal toward which the American people would have their diplomacy tend.

There is no conceivable reason why this ideal should not be reached. A great, intelligent, and wealthy nation is represented. With a happy geographical independence, an unwritten law of non-partisanship in foreign disputes, the friend of true liberty and the enemy of oppression everywhere, her population cosmopolitan in its racial sympathies and interests, the United States should by all means lead in the world of diplomacy, by sheer clarity of purpose and obvious disinterestedness. So far from achieving such distinction, however, the influence and power of the United States in international affairs is to-day at low ebb. The voice of the nation is not heard above the din of international politics, or if heard, is given no heed. There are two all-sufficient reasons for this. The first of these lies in the fact that the diplomatic corps is a football of the politicians and a victim of amateurish experiments in statecraft.

Another reason lies in the lack of a continuous foreign policy on the part of the American Government. This is difficult of remedy, as it arises from an inherent defect in the American political system. The first and greater reason for this ineffectiveness of American official representation abroad is

inexcusable, for the remedy lies in the hands of any President and his councillors wise enough and brave enough to apply it. It has been true in the past, and is still true to an unfortunate extent, that Americans lack a certain consciousness of foreign affairs possessed in a high degree by the intelligent people of all other nations included among the so-called Great Powers. This lack of consciousness is taken advantage of by politicians of expedient ways, and mistakes are made by amateur and would-be statesmen, temporarily in positions of great power in Washington, without the people as a whole being able, through lack of understanding, to call them to account. No Prime Minister or leader of a party could face successfully the storm of criticism which would arise in England, France, or Germany should the statesmen of any one of those countries adopt a dilatory policy in the matter of filling a vacant diplomatic post, use the diplomatic service as spoils, or send a notoriously unfit man to an important place.

The member of Congress who, during the recent session, introduced a resolution calling upon the Secretary of the Navy to inform the legislative body as to the number of naval ships, and the space thereon that might be utilized, to send exhibits of American products to foreign countries, might consistently have added another clause to his resolution, which

would have called upon the Secretary of State to furnish information as to how many diplomatic posts were available that they might be used as scholarship prizes for University faculties, or as a substitute for civil pensions for willing workers in the party ranks.

At no time in the recent history of the State Department has the American Diplomatic Service been in a state of such utter disorganization and ineffectiveness as during the year 1913. Important posts remained vacant, in many others the American representatives were literally sitting on their trunks, ignorant of their possible fate, unable to make plans for the future, and unsuccessful, after repeated effort, to extract from Washington any word as to what was going to happen. Several men, knowing that in the end they would be requested to return, and pressed by their own private affairs, took the matter into their own hands, sent in their resignations to take effect on a certain day, and when no reply was forthcoming they returned home, leaving the Embassy, or Legation, in the hands of a secretary. Past services have counted for little in changes that have been made, and the new men have not been sent to any particular place because of the special requirements of that place, but because of the wishes or importance of the man himself. This disorganization extended even to the secretarial staffs of the

Embassies and Legations, supposedly covered by the merit system inaugurated by Elihu Root when Secretary of State. This feeling of alarm and insecurity arose as it became known that men then outside the service had been offered places in which it was supposed the occupants would be retained, or that, if changes were made, they would be those of selection from men already in the corps.

The routine work of the Embassies and Legations is carried on by those secretaries, and training and experience are invaluable in these positions. It is they who receive the American visitors and attend to their wants. It is they who attend to all the usual and minor business which is transacted between Governments. In fact, except for unforeseen occurrences, many of the chancelleries would run on for ever without hitch under the expert administration of a secretarial staff, whether the chief of the post was on duty or not.

It is in the big event that the Ambassador or the Minister figures. It is he who smooths out controversies, leaving no irritation. It is under his direction that battles for trade privileges are fought, and won or lost. It is he who is in the eye of the foreign people he is living among; it is he who is responsible for upholding the dignity of his country and advancing its material interests abroad. As

his personality impresses itself upon those to whom he is accredited, and as his ability wins points to his own nation in the wars of diplomacy, so he and his country are judged by his confrères and by that measure is he of value to the land he represents. Modern diplomacy is commercial diplomacy, and at no time in history did the United States ever need more the advantages to be gained by the extension of foreign trade. America is passing as a nation from being an exporter of raw material to a vendor of the products of labour. The law of supply and demand is supreme in the raw material market. In the market for manufactured goods wisdom, experience, strength and consistency of purpose are needed to secure our share of the increment of trade.

At this critical time, a glance over the field of American diplomacy yields little satisfaction. In the Far East we have turned tail and run, after recognizing a republic where no republic exists, or ever can exist, and the Chinese who brought this about are now engaged in new revolutions, and are refugees with a price upon their heads. We have shown only a maudlin sentimentalism in the Balkan situation, which is nothing like that which we in America have conceived it to be. For months there was no head to the American Embassy at St. Petersburg, at a time when great tact and the highest skill and

ability were needed to repair serious damage done to American interests by unthinking or expedient home politics. Great importance is attached to the appointment of an Ambassador to Great Britain, where none is actually needed, the position under present circumstances being purely social and all important business between the two Governments being conducted in Washington. Small significance is attached to the appointment of an Ambassador to Germany, the most important and responsible post in the entire service, and one where the American representative can win or lose tremendously for the people at home. The American Secretary of State makes an appeal to public sentiment in China, a country where there is no such thing as public sentiment. The President of the United States dismisses the vast possibilities of future American relations with Russia with a curt notice to the effect that Russia must change her domestic laws, and conform Russian imperial administration to American ideas, before the United States can have anything to do with that country. One American Minister in Central Europe is sent into another near-by country, on telegraphic orders from Washington, to make a report on affairs that come under the jurisdiction of another American Minister of equal rank and vastly superior experience and local information.

In the meantime other nations are displaying no such indifference to their interests in America, for Germany keeps at his post in Washington one of the strongest, best informed, and most active diplomats on the Kaiser's list, because there are things stirring in America which are of importance to the German people. England sends a man to Washington especially equipped through previous knowledge to deal with the Panama question. England extends the term of her representative in Peking because he is an authority on Chinese affairs, and partly in consequence, English capital has already begun the building of the thousands of miles of new railroad which will be constructed in that country in the next few years. On the whole it is not a pretty picture, this devastation of the American Diplomatic Service, and yet there is hope in it. The service has always been at the beck and call of politics, hence has never, as a whole, reached within calling distance of the ideal which is in the mind of every thoughtful American. It has not been bad enough, however, to cause popular revolt, and conditions in the United States have not been such as to bring home to the people the importance of this branch of government. The increasing importance of diplomacy in connection with American material interests, and the notoriously disorganized state of the service, may possibly bring about a realization

of the contrast between what is and what should be, and when the American people ask a question of those in whose hands they have placed great responsibilities an answer must be forthcoming. We are a good-natured and long-enduring people, but, like most individuals of that description, difficult to satisfy when finally aroused.

The American Embassy, or Legation, can be made into something more than a tourist agency. There are great American interests at stake in nearly every country in the world, and able, experienced, and conscientious men are needed to handle these situations with credit to the nation and profit to American interests. A happy-go-lucky policy in diplomatic appointments may occasionally discover an unusual genius, but there is no guarantee under such a policy that any appointee will fill the position in the manner in which it should be filled, to say the least.

Under a recent administration at Washington it became apparently absolutely necessary for the President of the United States to recall a man from Europe who was bringing discredit upon the country he represented. The Congressional delegation of the State from which this man was appointed, fearing his influence upon local politics should he return, desired his retention abroad. They called in a body at the White House, and pleaded that he might

remain where he was. The President, beset by other matters, and not willing to enter into a struggle with these men over what was, in view of other things, of less importance, was forced to compromise and retain the services of this official for a considerable period after it had been decided to dispense with him. The American public, with that lack of consciousness of foreign affairs already noted, viewed the incident entirely from the standpoint of a political bout between the President and these Congressmen, in which the latter were successful, and not, as it truly was, a prostitution of the functions of the State Department in the interests of several selfish and unpatriotic members of Congress.

To use the Diplomatic Service as an adjunct of the spoils system is immoral and dangerous to vast American interests. To use it for the purpose of giving to college professors an instructive holiday during their sabbatical year, or to fill these places with personal friends, enthusiastic reformers, or others whom it may seem pleasant to provide with lucrative positions abroad, is not immoral, but it is equally dangerous to the great and growing interests of the American people in other lands. Many of these men go to important places where they flounder in depths beyond them. Their heads swell and their feet slip. Their lack of knowledge of the ordinary forms of

social life, to say nothing of the stricter forms of diplomatic usage, bring not only them but their country into discredit, and in many cases no chance comes about for them to redeem themselves by any piece of inspired statesmanship in a great crisis. They come and go leaving no impress and no memory behind them, with the exception of idle gossip as to their ignorance or gaucherie.

It would be an interesting experience for the President of the United States and his Secretary of State to call together the foreign managers of the great expert businesses of the United States, and ask for their frank opinion of the American Department of State in the matter of foreign appointments and in the so-called advancement of American foreign trade. It would be an equally interesting experience to have the real opinion of a score or more of those astute and trained diplomats who, year in and year out, conduct the foreign affairs of other great nations, as to the effectiveness of America's representation at the present time. To describe modern American diplomacy as that of the "dollar" is a misnomer, for there is no profit therein, either from the material or the idealistic point of view.

As suggested before, there is only the hope that the evil effects of the present system will become so manifest that the searchlight of American public opinion will be turned full

upon the State Department and its organization, for there is no question as to what must then happen, especially in these days when the nation is endeavouring to set its house in order. There is opportunity in Washington for a great and fearless Secretary of State, a man of executive force, wide mental horizon, and a big consciousness of international affairs. It must be realized, however, that even such a Secretary of State would be helpless without the support of a man in the White House who saw eye to eye with him in all things, and had the courage of his vision.

CHAPTER VII

AMERICA IN THE FAR EAST

WITH the aid of Western ideas the Far East is fast attaining the solidarity impossible under purely Oriental methods. The smug satisfaction expressed in the West at what is called the "modernization" of the East, shows lack of vision or an ineffective grasp of the meaning of comparatively recent events in Japan, China, Eastern Siberia, and even in the Philippines. In years past the solidarity of the Far East was largely in point of view, while in other matters the powerful nations of the West played the game according to their own rules. To-day the solidarity of mental outlook still maintains, while in addition there is rapidly coming about a solidarity of political and material interests which in time will reduce Western participation in Far Eastern affairs to that of a comparatively unimportant factor. It might truly be said that this point is already reached, and that it only needs an application of the test to prove to the world that the Far East would resent important Western interference as an intolerable impertinence.

Such Western ideas and methods as have been adopted by Far Eastern peoples are those which will make them continually more self-contained, and assist them to a position where they can successfully maintain their own complete independence of Western control or even interest. The educational and medical work of the Christian missions has been accepted eagerly; the religious work slowly and almost universally with reservations. In no part of the world are people less bound together by religious belief, or governed so little by religious creeds. Religion in the Far East is a school of philosophy, a state of mind, rather than a condition of faith. It is, therefore, less subject to change, or in other words, more difficult to dislodge than would be an orthodox worship founded upon a clearly defined theological basis. The appeal of the Chinese Government to the Christian peoples of the world on religious grounds was a clever bit of politics and publicity on the part of those in power in Peking, calculated to assist in securing formal recognition of the present Chinese Government and the international loan needed to maintain that Government in power. It brought immediate response as was hoped and expected, for it was an inspired bit of politics. That it meant more than this is impossible on the face of things, for to picture the present Chinese Government as an earnest

band of orthodox Christians, struggling for the dominance of their religious belief, is beyond the imagination of any one with real knowledge of the people, the conditions under which they live, or the men who now rule in Peking and throughout the provinces.

The same lack of cohesion through religion exists in Japan. It was hardly a year ago that the Japanese Government brought together representatives of all religious beliefs in that country to determine whether or not it was possible to evolve a creed which could be officially adopted as the religion of the country. It was even seriously considered adopting the Christian religion as that of the State, much in the same manner as would have been considered a change in the design of the flag, in the army organization, or the tariff laws. Nothing came of this move, but it is illustrative of the readiness on the part of those in power to take to themselves for their country anything they think will in any way add to their prestige abroad, or assist in bringing the nation up to a point of equality with those of the West, a result most ardently desired.

China is not yet independent of the West, for the Peking Government is in sore straits for money, and money is not plentiful in the Far East. Japan would finance China if she could, for this would fit into the plan to conserve the wealth of China for Japanese profit.

This plan will prevail in the end, but not as completely or as rapidly as Japanese ambitions would dictate. Even the pressing need for money, however, did not prevent China from haggling over the terms of a loan from the West, and recent events clearly show that such control as was agreed to be given the West in return for financial accommodation has not been handed over. Money was borrowed, ostensibly for reconstruction work, and has been expended in paying off older debts and official salaries, and in suppressing revolutions and disturbances. Little or no progress has yet been made towards that regeneration of the country which was promised as a result of a "republican Government" and a purse well filled from the stores of sympathetic Western peoples. The serious error in Western thought and utterance concerning the China of to-day is the assumption that the China of yesterday has by some hocus-pocus on the part of the revolutionists been sent into retirement with the Manchu dynasty. No greater mistake could possibly be made in dealing with the Chinese or with Chinese affairs than to suppose any great change has come over the spirit of the country. The China of to-day is the China of yesterday and the day before, and the China of to-morrow will show little change in the heart of things. There has been a substitution of rulers at Peking,

pledged to different things, but the only successes recorded of their administration have been accomplished along lines familiar to Chinese politics and government for many generations past.

The strength of the Chinese nation lies in its immutability, and not in its adaptability. Such modernization as has taken place has simply rendered this immutability more impregnable in that the threatened Western invasion can be resisted, or at least controlled more successfully, by the adoption of certain Western political ideas and methods than by the beating of tom-toms and the burning of paper prayers for the confusion of the "foreign devils."

The changes to take place in China will come slowly, and will be measured by the mileage of new railroads constructed. The doing away with treaty ports, the safety of the whole country to foreigners, the establishment of a national currency and banking system, the building-up of strong and just local governments, a corruption-free administration in Peking, an effective fiscal system, a strong cohesive army and navy—these are things yet to come, and the road is long and full of obstacles. In the meantime the strength of character and singleness of purpose of the Chinese people is a guarantee of the continued immutability of the nation. It is an elusive

quality, this strength of Chinese character, one difficult to define, yet deeply felt by every Westerner who associates with them. The Occidental who lives many years in China never makes much headway against it. In most cases he is swamped in the depths of Orientalism. In nearly every other country where the white race has established itself among an alien population it becomes the dominant force. The white men tower above their surroundings and are the acknowledged superiors, in authority at least, of those about them. This is not the case in China, for the Chinese put their mark on the man who lives among them for any length of time, and resist most successfully the impress of the Western mind or influence upon themselves. The Occidental who lives many years in China makes his friends, and as he is so will he be rated. Should he step without this circle of personal acquaintance he is as much alone in the Chinese multitude as he who landed in the country the week before. To say that a people such as these have changed over-night is most egregious folly, and Western nations who deal with the Chinese Government and the Chinese people with that idea are but asking for disappointment and to be made ridiculous in the eyes of the world.

The struggle for existence is the single purpose of the Chinese, and it is a struggle the

cruelty and terror of which are hard to realize. They are a peaceful people, intent upon their own ends. Ghastly disasters and a terrible mortality from natural causes have so cheapened life that it counts as nothing. The country itself is ugly and commonplace to the eye, and the life of the mass of the people is sordid to an extreme. Away from the treaty ports, and out of sight of Peking, it matters not who rules the State. The work of the Chinese people is to get enough to eat, to weave on hand looms the nearly £200,000,000 worth of cloth not imported or produced by Chinese mills, needed to clothe over 400,000,000 people. Great cities are lacking even in wagon-road communication with other communities. It is in these great centres of population that the mass of the people live. It is from the surrounding land that food is secured by scrupulously returning to the time-worn soil every ounce of refuse, animal and human, that its fertility may be kept at producing point. It was to a nation of hundreds of millions such as these that the American Secretary of State recently appealed for an expression of "public sentiment," and on their behalf the Peking Government addressed an appeal to Christian nations abroad on religious grounds.

There is one nation, however, that does understand China, and that is Japan. With a

sympathetic mental outlook, and an avowed purpose to grow great through the wealth and necessities of her vast neighbour, Japan has set herself the task of dominating the affairs of the Far East, or, in other words, to secure the best that is to be had in that part of the world for her own people. Tremendous progress has been made in this direction. The first step was to build and man a navy which would command all Far Eastern waters without question. This has been done. A modern army followed naturally. There was no need for the cultivation of a military spirit, for it was already there. To modernize tactics and equipment, and train officers to modern warfare, were merely matters of time and energy. The period in which it was accomplished was remarkably short, owing to the tremendous industry shown in the work. Japan now has a force of a quarter of a million of trained regulars, fully officered and equipped and hardened for campaigns in countries which test the qualities and endurance of Western soldiers. The Japanese navy and army are concentrated at home, for with the exception of Formosa there is no call to send vessels or troops abroad. The Japanese troops in Korea and Manchuria are not a weakness to home defence, for they are not far away, and what is even more significant, they are on the road, so to speak, towards the boundaries of the

Japanese empire of the future, or any possible trouble which might occur with her neighbours. In other words, Japan is now armed and ready for any development in the near future.

The modernization of Japan then extended into her social, political and industrial life, and especially the latter. Socially the habits of the people have not changed much, except where there is contact with foreigners, and even the Japanese treaty port still clings to the ways of "old Japan." The political system has been modernized to the extent that nearly all the defects and methods of corruption to be found in Western politics have been adopted. As the monarchy is absolute, however, legislation and office holding, so far as effective government is concerned, is still controlled by the real governing power. The minority section is a scramble for place and spoils, and the bribery and corruption of Japanese elections and legislative doings are reminiscent of the "dark ages" in American politics, which prevailed before the introduction of the secret ballot and before the American people had their political house-cleaning. Financially Japan has also modernized her system, and, as in the political sphere, has adopted some of the methods used by "high finance" in the West, to secure loans without strict regard to underlying securities. This modernization process has cost enormously. The national

budgets have grown faster than the income of the nation warranted, but it is characteristic of Japanese ambitions and purpose that short cuts to a desired point possess no fears for Japanese financiers. Having attained her military and naval supremacy through expenditures the rapidity and size of which would stagger a much richer country, Japan is now engaged in the much more difficult task of building up her economic life to a like level, an undertaking that cannot be hurried to such a degree, for its growth depends more or less upon conditions beyond Japanese control.

Industrial conditions within Japan are not normal. Excessive import duties hamper trade, and increase the cost of living; low wages encourage rebellion on the part of the workman; deficient productive power on the part of the individual worker makes it difficult to increase wages without destroying competitive power; and lack of home markets makes it impossible to construct large machinery with profit. The Japanese home trade is peculiar. The market calls for many things, but a limited quantity of each. The only industries which promise for the future are those that depend upon natural products at home, such as silk, or upon a foreign trade, which finds its only really profitable outlet in the Far East. Necessarily this Far Eastern market is limited in variety, and its demand is largely for staples,

especially silk and cotton goods. Fortunately, the labour to be had in Japan is especially adapted for the manufacture of such goods, and the Far Eastern market offers an unlimited field for exploitation.

In this case the Far East obviously spells China. Japanese goods find their way to India, the Philippines and elsewhere, but the substantial future of Japan lies in China, and her statesmen and industrial leaders not only know this but are frank in their declarations of belief that the trade of China naturally belongs to Japan, and that the latter country is going to have it at any cost. Over 30 per cent. of Japanese export is to China, or more than to any other country; and this export is largely of manufactured goods, therefore of more comparative value than the exports to other countries, a large percentage of which is raw or partly manufactured material. Only 16 per cent. of the Japanese imports come from China, the difference constituting a valuable source of gold supply, as Japan owes no money to China, and no balance of trade in China's favour is required, therefore, to pay interest and other charges, as is the case with the trade to the West.

It requires no process of deduction or argument to reach the conclusion that Japan, having failed to invade the West, has recognized her limitations, and is concentrating her

energies upon the East, for her people are being constantly urged to this point of view by the leaders of Japanese public opinion. It was Baron Mackino, when Minister of Commerce, who said less than two years ago —

“ China has people, and population is what makes trade. No other country in the world offers so vast a field for trade. With the growth of education and the development of material progress, possibilities of commercial enterprise in China are simply unlimited. The anxiety of the Powers to enter into more and more intimate tradal and political relations with China cannot but excite intense interest in Japan; for China is our nearest neighbour, our best customer; and our commercial and political relations with that country are superior to those of any other nation. It is, therefore, a matter of infinite importance what course China takes in dealing with the numerous applicants for her patronage at this or any other time.

“ It is true that Japan enjoys a profitable trade with many countries of the West. Our exports to America are of increasing volume and value; while the various nations of Europe welcome what we can supply. But this occidental trade at its best is difficult for us to handle with any satisfactory degree of achievement; for it is always more difficult to deal

with highly developed commercial nations than with those less advanced in modern progress. Trade with peoples of lower social standards is always more easy and profitable. There was a time when Japan hoped to find her chief field of commercial enterprise in the West; but to-day the mind of Japan is all toward China as the commercial hope of our future, not to say anything of our geographical and racial advantages with that country.

“It is our ambition to be to the East what Great Britain is to the West. We have left no means untried in making a thorough investigation of the present conditions in China, so as to arrive at as accurate an estimate as possible of what is to be expected in the commercial relations of that country with Japan in the near future. The data obtained are vast and will require a great deal of consideration. . . . In the matter of direct trade with China, the merchants of Japan enjoy a considerable advantage as they are more familiar with the language and customs of China than their foreign contemporaries. . . .

“Now is the time to explore China commercially; and any demand we create now for useful articles will in all likelihood become permanent. . . . It is not too much to say that a great part of our hope for future financial rehabilitation in Japan depends upon how we can further develop trade with China. In this

matter we cannot afford to be beaten by our foreign competitors; for the very welfare of the nation depends upon it. I would have all Japanese regard it as the foundation of our national prosperity. Should we lose China as a customer it would mean the ruin of our commercial prospects."

It is necessary to take the trade situation into serious account in any estimate of the present or future status of Far Eastern affairs, for upon this hinges independence or dependence in future relations with the industrial nations of the West. The inspiration in the Japanese expansion movement is economic rather than political. Her population is threatened with overcrowding, work for the people is a necessity, emigration to desirable countries is practically prohibited by foreign antagonisms, money must be had to carry the enormous burdens imposed by her present national policies, as there can come an end to borrowing. The Japanese nation stands to-day in the position of a gambler, who stakes his all upon a single throw; or that of a venturesome firm, which is feverishly doing a big business upon small or borrowed capital, hoping and expecting that the profits of the concern may bring everything right in the end. The present conduct of Japanese national finance is a juggling feat in which "the hand is quicker

than the eye," for few of even the best informed in Japan can tell the inquirer just where the national cash balance is to be found at the moment, or how much it amounts to. The fact that the movement for an expansion of Japanese power to such a degree as to dominate the Far East is founded upon economic necessities and ambitions, is guarantee of its sincerity, permanence, and its successful outcome. Political policies change with new governments. Schemes for political aggrandizement often fall of their own weight or are defeated through rebellion within the citadel. Here, however, we have a nation with a purpose, in the success of which not only is every tradition of race and every phase of national ambition concerned, but one upon which is staked the material welfare of every family, man, woman and child. No divergence of political views, no conflict of selfish interests, no criticism of men or methods, will weaken the progress of a cause in which the nation is enthusiastically enlisted to the very last citizen.

The first great move towards a greater Japan was the war with Russia. The world has not yet recovered from its surprise at the outcome of that war. The process of modernization had been in effect some time, and this war disclosed the progress that had been made. Korea had become an integral part of Japanese

territory. The war added a Japanese sphere of influence extending into Manchuria and Mongolia, which has since so impressed itself as to defy contraction. The United States Government, through Mr. Knox, then Secretary of State, proposed the internationalization of the Manchurian Railway, and Russia and Japan, promptly rejecting the proposal, came together in strong agreement to apportion that section of the Far East between themselves, to the exclusion of all Western interference.

In fear of war with the United States and for financial reasons, Japan then allied herself to Great Britain. The practical benefit of this alliance to Japan was the readier sale of Japanese bonds. The practical benefit to England, as it turned out, was the restriction it enabled her to impose upon Japanese ambitions in China, although originally it was made to ensure naval co-operation in Far Eastern waters. When England, nervous as to possible complications with the United States, so emasculated the treaty as to safeguard against such a deplorable event, the Japanese shrugged their shoulders and for financial reasons talked abroad of the treaty with England as still being "the foundation stone of Japanese foreign policy," and pursued their own way, which, it may be stated, is not the way the foreign traders of England would

prefer. The Japanese realized the disadvantages of this alliance with a Western Power, when, after a cabinet meeting in Tokio during the recent Chinese revolution, it was practically decided to move a division of the Japanese army to Manchuria, English diplomacy stayed their hand in the belief that it undoubtedly meant the permanent occupation of Chinese territory. To this day many Japanese believe that such benefits as may have been derived from the Anglo-Japanese treaty were then and there more than nullified by the check administered to Japanese activities on the mainland. The story is told of a dinner given in Korea several years ago, which was presided over by a great Japanese statesman now departed this life, who in his speech to the assembled guests pictured the Japan of the future with a capital at Mukden, and a subsidiary capital at Tokio, or, in other words, a Japanese Continental Power. It requires no stretch of the imagination to believe this to be the ultimate ambition of Japanese statesmen, or that it is a possibility of the future, for the trend of events is moving rapidly in that direction.

The only hindrance that can come to Japan in her triumphant career as dictator of the Far East is from China. Should that country ever attain the status of a strong and well-knit nation, with an army and navy commensurate

with her territorial greatness, her wealth and her population, Japan would again be driven back to the sea, and compelled to find refuge in her restricted island empire. It is a far cry from present conditions in China to those which would make such a thing possible, and to assist China to attain her full strength is not a part of Japanese policy.

In the meantime Japan progresses apace towards the goal of her ambition. Long ago her statesmen abandoned all thoughts of the Philippines, for they had proved unfavourable to Japanese settlement. Experience in Formosa has not been such as to encourage further attempts at colonization towards the south. There is no thought of real war with the United States, for there is too little to be gained. Everything points to a plain path for the future, the farming of China territorially and for commercial gain. It is a natural and logical outlet for Japanese energies, and no country is better fitted for this campaign. There are a hundred thousand Japanese now resident in China. They speak the language, adopt the manners and customs of the Chinese, and cater to their wants with a shrewdness and completeness unknown to traders of other nationalities. They are not popular in China, but that is not a new experience for them. The Far East is a land where success does not hinge necessarily upon personal popularity. Korea is

ruled not by assimilation, but by the stern hand of oppression and extermination. It is being developed not through co-operation with the Koreans, but by the substitution of Japanese. The Japanese had quite enough of the rule of kindness in their first experiences in Formosa, and it is only since the military was given free hand that quiet has been maintained in the settled portions of that island. After the war with China, the Japanese asked the cession of Formosa. Li Hung Chang could not be convinced that the victors were really in earnest in this request. When he found they were he promptly gave it to them, and when the Japanese came to deal with the population of that province they realized why the Chinese statesman had been surprised. The use of ordinary government methods at the beginning cost them dear, but with characteristic tenacity they held on; and, having driven the most dangerous element into one section of the island, and built a wire fence across as a dead-line, they now devote their energies to the prevention of excursions from beyond, and the development of the territory under control.

Every experience Japan has had has taught a most convincing lesson to the effect that her destiny lies at her own doors, and not far afield. Her people can always dispose of their raw and partly manufactured material to

Western nations, because the latter must have it. In Japan, however, the productive area of land is limited, and industrial employment and profit upon manufactured goods are needed, or the country cannot go on, to say nothing of securing a necessary national revenue. Export trade in fully manufactured goods in competition with Western nations has serious limitations in its prospects for expansion. In fact, as acknowledged by Baron Mackino, it is a failure. As he also says, the Japanese at one time, in the first flush of their industrial modernization, had high hopes of invading the West. The cost of Japanese production was low, and Japanese ingenuity and adaptability could be relied upon to keep pace with the necessities and inventions of modern industry. This idea was stimulated in the minds of the Japanese people by the senseless panic which found expression in the West over the prospect of an Eastern invasion of Western markets. They recognized the inevitable, however, before it was understood in the West, and turned their serious attentions elsewhere. Lack of raw material, the cost of the long haul, and inferiority of product, left them no ground for successful competition with Western labour and material. In China and throughout the Far East, however, they saw their opportunity and seized it. Cheapness of quality was no detriment to trade in a country where it takes

five hundred pieces of money to equal an English shilling in value; and here the Orient meets the Orient at the bargain counter, each understanding and appreciating the other's ways of doing business. As Baron Mackino says, the Japanese found that "trade with peoples of lower social standards is always more easy and profitable," and their success in the Far East up to the present time justified the conclusion they have reached so quickly through a comparatively brief experience of export on a large scale.

Few peoples have so speedily adapted themselves to the line of least resistance as have the Japanese. It is evident that this quality in their character is national as well as individual, for this latter peculiarity has been their well-earned reputation since they commanded the attention of the rest of the world as a coming power. New industries or new adventures which promise employment for local labour and revenue for the Government are heartily welcomed in Japan at this time. Agencies for foreign business are not looked upon with favour, and are discriminated against when possible. The one serious purpose is to build a nation up from an economic point of view, that is, to employ the people, develop every possibility of the land, increase foreign trade, and incidentally through these means to increase the sum raised by taxation. The direct

tax levied against the citizen of modest means has probably reached the high-water mark of possibility. Expressed in figures it does not sound so appalling, but when the earning power of the individual worker, the cost of living and the scarcity of money are taken into consideration it is probably as high, or higher, than in any other community in the world.

There is a vast self-confidence and optimism in the Japanese character, which expresses itself nationally. The people are temperamental. The number of suicides is greater than elsewhere, but the causes of self-destruction are not so germane to material conditions as in other countries. The ambition of Japan to become to the Far East what England is to the West is a broad generalization that needs definition to be fully understood. The only real point of similarity is in the direction of comparative strength. England is the strongest country in the West, and Japan is now the strongest in the East. England's strength, however, is for the defensive. She can presumably defend herself against any attack from one or more of her neighbours, and her people are satisfied to maintain this *status quo*. Also, England does not assume to direct the affairs of her neighbours. They each and every one work out their own schemes according to their own ideas and ambitions. Japan is aggressively the most powerful nation

in the Far East. Her armed force is not only for defence but for attack if need be. Her political and commercial adventures are carried into alien territory by force applied either directly or indirectly. In brief, the position of Japan in the Far East is much more autocratic than the position of England in the West, and the ambitions of Japan within the Orient know no limit.

Russia is the only country from which Japan might fear any check to her chosen career at the present time, and Russia, for the time at least, is willing to maintain by treaty with Japan a status which eliminates the possibility of conflict of interest. What may happen in the years to come, when these two countries again jostle each other along boundaries now remote from any great activities, is problematical. Thirty years is the period allowed by would-be prophets for peace to prevail. Much can happen in such a time, however, and estimates will necessarily have to be recast with each passing period of changed conditions. It is with the present and near future that this generation is concerned, and certain facts present themselves as beyond controversy.

The first of these is the unquestioned military and naval supremacy of the Japanese in Far Eastern waters. The second is the successful extension of Japanese trade throughout the

Orient, displacing as it does, the trade formerly held by Western peoples. The Yangtse Valley, long held to be a British sphere of commercial influence, is no longer exclusively such. The English merchants in Shanghai are frank in their admission that it is no easy task to hold a profitable business against Japanese competitors. In Manchuria, a country which at one time was the boast of the American foreign trader, American business has dwindled away to nothing. In Korea, where England retained by treaty equal trading rights with Japan, the latter country, by one method or another, has so discriminated in favour of home manufactures that England's treaty-secured privilege has lost much of its value. The Japanese pedlars who tramp the by-paths of China from Kowloon to Mongolia are rapidly substituting their wares for the Western goods formerly shipped inland from the treaty ports. The details of the growth of Japanese exports tell this story in plain figures.

The Japanese Government naturally decries participation in Chinese disturbances, and promptly disowns those of its citizens caught in the act, but the number of Japanese who are always found in the neighbourhood of a Chinese outbreak, and the fact that Yokohama or Osaka is the refuge for nearly all Chinese who

are making trouble at home, certainly encourages the suspicion that all is not quite above-board in these matters. In Tokio is the best informed Foreign Office in the world. No such system of espionage has ever been devised as that which keeps the Japanese Government in touch with the events of the world, both great and small; and in no country is a closer watch kept over affairs in China, for it is there that the Japanese find they can use their information to best advantage.

That "the East is East and the West is West" has always been fully recognized by those who know, but in the popular mind it has been a difference of customs and mental outlook rather than a real division of the world in its modernized energies. It is now necessary to revise our attitude towards this difference as we have long conceived it to be. The Far Eastern peoples have grouped themselves into a Power which intends to hold for itself dominion over its own; and Japan stands to-day as the overshadowing figure in this group. Such Western ideas and methods as may be adopted are not for the purpose of bringing about closer relations with the West; they are for the purpose of maintaining and emphasizing the new line of cleavage which has been created by the developing ambitions and powers of a people well able not only to govern them-

selves, but to resent interference from alien sources. Where this new line is to be drawn between the East and the West is yet a matter of conjecture. If Russia be considered as a Western Power, her invasion of the Far East serves as a restriction; but there are many who agree with Mr. Kipling in his idea that it is a mistake to think of Russia as the most eastern country of Europe instead of the most western country of Asia. The future of Thibet, Indo-China, and many other lands of shadowy boundaries, are involved in the final settlement as to which is East and which is West, and the success of the Japanese traders in India may even place that country among the disputed areas. Japan has not yet made the mistake of attempting to extend her political influence beyond ground with which she is familiar, but the permanent growth of this sphere of influence can be marked conclusively with each succeeding year.

Japan is a great Power to-day, and is to become greater, for she has no serious rival in that part of the world over which her sway is to be extended. It is with Japan that the West will be compelled to treat in the final settlement of all Far Eastern affairs, for with a power and supremacy which cannot be challenged her statesmen have good reason to feel sure of their ground. Japan is even now

the Dictator of the Orient, though she may not be ready herself to promulgate this decree. Her people will some day soon point out the new boundary line they have drawn between the East and the West, and will demand to know who questions its markings.

CHAPTER VIII

THE UNITED STATES AND RUSSIA

THROUGH a series of diplomatic blunders, misunderstandings and unfortunate incidents, the United States is now in a fair way to destroy one of her great foreign friendships, one which has stood the test of the most notable and trying century in the history of human affairs. Notwithstanding vivid contrasts in the lives of her people and in her forms and methods of government as compared with those of the United States, the people and the rulers of Russia have long shown the keenest and most friendly interest in the progress and continued prosperity of the American people. This friendly attitude has been of so marked a character, and even minor controversies have been so infrequent, that a treaty made in 1832 held the two countries together until 1911, or for a period of nearly eighty years.

In the year 1911 a self-inspired politician, who had reached the important position of chairman of the Committee on Foreign Affairs in the American House of Representatives through the expedencies of a division of

political spoils, conceived the idea of sacrificing this friendship upon the altar of local politics in an effort to please, as he thought it would, the voters of Hebrew race and Jewish religion. It may be stated here that the evidence of some of the ablest and most prominent of this virile race of American citizens is to the effect that this attack made upon Russia was a serious error in that, while at the time it seemed to serve political purposes in America, the ultimate result has been to do harm rather than good to the Russian people it was intended to benefit.

Instead of conveying to the Russian Government in the usual way through diplomatic channels the expression of a desire to revise a treaty which in many details was obsolete and needed revision, a resolution was introduced in Congress, violent in its language and arbitrary in its intended result. This resolution was the medium through which was discharged the political thunder of those who were about to enter upon a national and local campaign for office. With that notorious cowardice which is bred of elections to office by an unrestricted franchise, nearly all of those who disapproved of the intent or purpose of the resolution or those who, while approving its alleged object, disapproved of the method adopted, held their peace in public at least. The debate on the resolution was a one-sided

affair, for no man of great influence or weight in the nation's councils led the opposition, and the friendship of Russia and the Russian people was swept aside as an inconsiderable factor in the international situation.

As a result, the Russian Government was notified that the treaty was to be terminated by the United States. The language of the notification was rendered as diplomatic as possible by President Taft, and the disagreeable task of conveying the American ultimatum to the Russian Government by the American ambassador at St. Petersburg was performed in a manner calculated to do the least harm. The fact remained, however, and soften it as one may, it was received by the Russian Government as a man might take an unexpected blow from some one he trusted and looked upon as a friend. The Government was first surprised, then hurt, and then angry. The crux of the American contention was to the effect that an American passport entitled its holder to enter Russia and there enjoy a liberty of action and occupation denied to Russian subjects.

The British, French and German Governments were promptly called upon by their own people to express themselves as to the merits of the controversy, as this was not a case where American passports had been or were to be discriminated against. The citizens

of all foreign countries are placed upon a basis of equal rights in the administration of Russian interior affairs. Sir Edward Grey, the British Foreign Minister, in reply to a question in the House of Commons, promptly repudiated the action of the United States, stating briefly that his Government did not maintain that the holder of a British passport was exempt in any way from observing the laws and regulations of Russia when travelling or attempting to travel in that country. France and Germany quickly followed suit with like declarations, thus leaving the United States alone in a position held to be untenable not only by Russia, but by other European countries even more deeply and intensely concerned in the welfare of foreign peoples than the United States. It may be noted also that in all these countries the native born and the naturalized citizens of Russian origin and those bound to them by ties of race or religion play a far greater part in the government of the country than they do in the United States.

The Russian Government was at first inclined to active resentment against the United States, and promptly called attention to the indignation which would be aroused in America should Russia attempt to dictate as to the administration of the American immigration laws under which several million Russian

subjects are ineligible for admission to the United States, passport or no passport. It was also recalled that in a given period of sixty days nearly two hundred Russians had been deported from America, while in the same time two American passports had been refused the visé required for travel in interior Russia. When the first and most acute stage of indignation and regret had passed, however, and it was tided over with skill and efficiency by the American ambassador then stationed in St. Petersburg, it was succeeded by an attitude of indifference, which still maintains.

A careful study of Russian trade with America shows that, treaty or no treaty, friendship or no friendship, her people can buy what they must from the United States without let or hindrance, and that a large percentage of what is brought from Russia will be taken regardless of international complications. Unfortunately, the arbitrary termination of the treaty is not the only cause for irritation. When Congress adopted the idea of a 5 per cent. differential tariff rate in favour of goods imported in American bottoms, this provision was held to be inoperative against countries with which the United States had favoured-nation treaties. There being no treaty with Russia at the time, and this being exceptional, the adoption of the differential

was held to be purposely unfriendly to Russian trade. Whether the differential clause holds in the end or not, this impression naturally still prevails.

Closely following upon this action comes the unfortunate scandal attached to the appointment of an American ambassador to St. Petersburg, a place which has been vacant since June 1913, when, by all rights, to fill this post promptly and efficiently, in view of the strained relations existing between the two countries, it should have been a first consideration of a newly inaugurated State department. The whole impression given by the incidents attendant upon the selection of a man for St. Petersburg is one of American indifference not only to the critical situation which actually exists, but to the importance of Russia, as a possible friend and a valuable business colleague, one more than ready to facilitate a free exchange of civilities and commodities between the two countries.

If, instead of terminating the treaty of 1832 between the United States and Russia in the brutal manner in which it was done, the United States Government had suggested the making of a new convention, such suggestion would have been agreed to. The *pourparlers* preceding such a convention would have given opportunity for a full and free discussion of all points at issue and allowed of final com-

promise, which could only have resulted advantageously for all American citizens, native born or naturalized. It would also have made possible an agreement with Russia providing for a relinquishment of all claims upon Russian subjects who became citizens of the United States. This principle was first brought into treaty obligations by the United States, and obtains with all countries with which this country has made treaties in recent years. In the case of Russia, however, there having been no recent treaty, no such agreement exists. It was time that a new convention should have been projected in order that new and more intelligent relations might be brought about. It was not necessary, however, that the then existing treaty should be beaten to death with a club. It would have died a natural and easy death when its successor appeared as a result of the joint and friendly efforts of the two Governments. The fact remains, however, that the United States chose the offensive and destructive method without a hint from constructive statesmanship as to what should take the place of that which was destroyed.

The diplomatic attitude of Russia to-day is easily stated. It is in effect that the United States, having seen fit to do away with the treaty, it rests with the United States to ask for a new agreement. It is also equally well understood that Russia cannot and will not

yield on the main point which has held public attention in the United States, and this not through any obstinacy, but because of interior political and economic conditions requiring, in the judgment of the Russian authorities, a continuation, for the present at least, of the present policy toward foreigners visiting Russia, no matter from what country they may come. It is believed in Russia, not only by the people at large, but by the Government officials themselves, that the present passport system should be thoroughly revised and simplified. As now administered, it is a cumbersome and vexatious affair, acting in restraint of social intercourse and commerce. The legislative programme of the Duma for the near future includes a plan for a revision of this now obsolete institution, but such revision will not be dictated by any foreign Government, nor will it, when finally complete, take from the Russian Government authorities supervisory rights over the comings and goings of those who travel to and from the empire. The purpose is to make travel easier and to make the ordinary tourist less aware of police surveyance. That free hand should be given, however, to those who wilfully or unwittingly are ready to add to the great difficulties attendant upon the maintenance of order and safety in that vast and complex community can hardly be expected

by any one with even a most cursory knowledge of Russian conditions.

In the meantime, while diplomacy waits upon action at Washington, the Russian Government, as a matter of courtesy to its own and foreign peoples, has maintained the *status quo* existing under the recent treaty in its treatment of Americans and American commerce. This, however, will not go on for ever, and uncertainty as to the future has given a halt to an expansion of American trade in Russia, which two years ago promised to become one of the most notable features of American enterprise abroad. Millions of American money are in Russian banks to guarantee American securities; thousands of men are employed in America in manufacturing goods for shipment to Russia; \$50,000,000 worth of American cotton goes annually to serve the Russian spinners, whose cloth is sewn into shape by American machines in Russian hands. The virgin ground of Southern Siberia is being turned over by American machinery, and the shiploads of grain that find their way out to the trade channels of the world are made ready for market by instruments born of the ingenuity of American inventive genius.

To sacrifice principle for material gain is no part of American purpose, and such a course, if pursued by the Government at

Washington, would bring a prompt verdict of disapproval throughout the country; but to destroy American opportunity in a mistaken and futile effort to control the domestic affairs of a great and solvent European nation is a jousting against windmills which brings only harm and humiliation to an international Don Quixote, and accentuates the troubles of these in that foreign land through a natural reactionary feeling of irritation at the part they play in bringing about an attempt at interference by outsiders.

It is difficult to grasp the potentialities of the Russian Empire. A bald statement of its size, population, and activities conveys some comparative idea, but even this fails to call up the picture as it exists. With an area of nearly nine million square miles as compared with the less than four million of the United States; with an annual ordinary expenditure of over fifteen hundred million dollars as against the less than seven hundred million disbursed by the United States; with a population of nearly one hundred and sixty millions, increasing without immigration at the rate of nearly three millions a year, and out of that population maintaining a regular army which on a peace basis numbers a million and a quarter of men. Such a country affords a field over which the liveliest imagination can play at will, and yet fail to grasp its full

significance in future history. It has been a drowsy giant, but is now waking out of sleep, and ready to fight, play, or work with its smaller, but more highly developed, world companions.

It takes long for new ideas to penetrate throughout this vast empire, but within the last few years such progress has been made as renders comparisons possible. Nearly one hundred million dollars will be spent this year for public education, and six million Russian children are now at school. The effort to secure more extended local government is making strong headway. The present Duma is a practical working legislative body, which plays a vital part in the government of the country. Railroads are being pushed into new territory, and natural resources are being developed. The long journey from Moscow to Vladavostock now presents a panorama familiar to those who took part in the development of Western America. The Russian Government is moving every year a minimum of 250,000 people from Western to Eastern Russia, settling them upon farms, and lending them money to till the land.

With all this increment towards better things, the empire is still a land of strange contrasts and contradictory evidence, and the reasons for this lie in the vastness of the territory, the varied character of the popu-

lation, and the tremendous difficulties of Government administration. The old bureaucracy is tenacious in its hold upon the affairs of the people, and the laws that govern the modern city of St. Petersburg would prove of no avail among the Russian Mohammedans to the south or the Russian Mongols to the east. While in Moscow the factory whistles call thousands of skilled workmen to their daily tasks, the howls of arctic wolves still bring terror to the traveller crossing the plains. Between the northernmost ocean and the Black Sea live many races of men all calling themselves Russian, and the conditions under which they live are as varied as the strains of blood in their veins.

It will be many years before the Russian people cease to look abroad for the materials needed to develop their land and its resources and to adapt themselves to modern life. It is the greatest undeveloped market in the world for the products of skilled human labour. This development has, however, passed its beginning; it is even well on the way toward its promise for the future. America has played no small part in this awakening, and in turn the American people have profited largely, with apparently no limit to what might accrue from intelligent enterprise, which should keep pace with Russian development. Americans were liked, and their

wares were in high favour. The Russian Government was friendly and treated American ventures with consideration. The first serious check to this state of affairs came with the termination of the treaty in 1911. As soon as the Russian people became really convinced that a serious, and, as they viewed it, an unfriendly step had been taken, the whole attitude towards America and Americans underwent change. Competitors of American firms were invited to come in where before they had little chance, and these same competitors have lost no opportunity to emphasize this anti-American spirit and lay permanent foundations for themselves.

The diplomatic strain is not the only evil which has resulted from the rudeness of the United States towards the Russian Government. Such strain could undoubtedly in time be relieved. But a direct and large financial loss has been inflicted upon American industry, a loss not to be measured by its obvious proportions at the moment, but rather in its relations to a future wherein the American people seeking outlet for the increasing product of their labour find that the Russian field has been prejudiced and entrenched against them.

Meanwhile the American Government apparently takes no notice other than to launch a scandal over the appointment of an American ambassador to St. Petersburg to fill a vacancy

which has existed for many months. The American people are now asking those into whose hands they have given the appointive, legislative and treaty-making powers of the nation: "What about Russia?"

CHAPTER IX

JAPAN AND THE UNITED STATES

PUBLIC opinion in the United States is decidedly opposed to the admission of Japanese labour, and it is safe to assume that a rigorous Japanese exclusion law could be enacted by Congress with the consent and approval of a large majority of the voters. Relations between Japan and the United States are not of the best. Both Governments have done everything in their power to maintain peace, and allay antagonisms, and so far with considerable success, and the difficult question of Japanese exclusion has been temporarily shelved through diplomatic agreement. This agreement, however, provided for the admission of established Japanese farmers, and the people of the Pacific Coast are violently antagonistic to the acquisition of farming land by Asiatics. So strong is this sentiment that the legislature of California is proceeding quite on its own responsibility to nullify the peaceful proposals of Washington by passing laws which the Japanese people hold to be a violation of privileges now guaranteed by treaty.

There is apparently no way out of the difficulty in the end, and the question arises whether or not a frankness which might be termed even brutal would not be the wisest method of dealing with the question instead of one of expediency, which can only be temporary in its benefits. The people of Western Canada share quite as emphatically in this objection to Asiatics, hence the matter is one of vital interest to the British Government, all the more that not only are the Japanese concerned in this antagonism, but that Hindus are also included among those who are not wanted. A Japanese exclusion act is inevitable in the United States in course of time. A marked tendency of legislation is towards restricting immigration of all kinds, but that from Europe is held to be less antagonistic to American ideas, and far more amenable to Americanization, than that from the Orient. The ranks of labour are solemnly arrayed against Asiatics, for no gain to trade-unionism is promised by an increase in their numbers in the United States, while the Western people who immigrate are possible recruits to labour organization. Where Japanese labour is employed, it is usually segregated in such a manner as to create alien communities, without promise or hope of final disintegration, or absorption into the general social structure of the nation.

The Japanese are not as peacefully inclined as the Chinese, nor are they as unremittingly industrious. Their productive power per labour unit is not as great, and this has a tendency to lower the wage scale and prejudice the Western labouring classes against them. The Chinaman also has always accepted the estimate of the foreign community in which he lives, to the effect that he is inferior to the white race. He has endured the bullying, kicks, cuffs and persecution to which he has been subjected by white employers, foremen, and the hooligan element, practically without retaliation; has earned his money, spent it in his own way, or taken it back to China with him. The Japanese, with quicker intelligence, less patience and philosophy, and a new-found pride of nationality based upon comparatively recent accomplishment, naturally resents being regarded in any such light, and demands a "place in the sun." Hence the Japanese more quickly arouses active antagonism and fear as to the consequences of admitting him freely into the life of the country. His nation is looked upon as a logical enemy of American advancement in Far-Eastern affairs, and ulterior motives are generally attributed to account for his presence in America.

Immigration of Japanese labour into the United States is now restrained only by diplomatic agreement between the two Govern-

ments. The question came to a head during the administration of President Roosevelt, and the crisis was precipitated by anti-Japanese demonstrations in California. President Roosevelt succeeded in quieting the American demand for a Japanese exclusion law similar to that prevailing against the Chinese, and in persuading the Japanese Government to restrain its people from coming to America. The general understanding with Japan is to the effect that the Japanese Government should issue passports to the Continental United States only to such of its subjects as are non-labourers or are labourers who, in coming to the continent, seek to resume a formerly acquired domicile, to join a parent, wife or child residing therein, or to assume active control of an already possessed interest in a farming enterprise located in the United States. With respect to Hawaii, the Japanese Government of its own volition stated that experimentally at least the issuing of passports to members of the labouring classes proceeding to Hawaii would be limited to former residents and parents, wives or children of residents, and along these lines the Japanese Government has maintained fairly close supervision over the emigration of its people to American territory. Under this arrangement, which was brought about in 1908, Japanese immigration into the United States fell off considerably

for two or three years, but soon again reached the annual total of the years preceding this voluntary restriction. In 1912 about 8000 Japanese immigrants entered the United States through the regular channels, and in 1913 the entries numbered about 6000.

It is mentioned that these people came through "regular channels," for it is impossible to say just how many smuggled themselves in or were assisted to enter over the Canadian and Mexican frontiers, or from ships lying in American harbours. The possibilities of this unrecognized form of immigration are startlingly in evidence through statistics which profess to show that while only 6500 Hindus, against whom there is also a strong popular prejudice, have come to the United States, there are more than this number now settled in the Sacramento and San Jacinto Valleys of California alone. The Japanese immigration question was one of the serious problems which President Wilson inherited from his predecessor President Taft, and one which demanded immediate attention. An alien land law was proposed in California which would have barred the Japanese from acquiring real property in that State. The Japanese Government made protest, and with obvious right claimed that treaty privileges were to be violated by such a law. It has taken the utmost skill on the part of Washington up to the present time to

avoid reaching an impasse in the diplomatic relations of the two countries.

The people of California refused to make things any easier for the national Government, and strong pressure is brought upon Congress not only from California but from all parts of the United States in favour of outright Japanese exclusion. But for the enormous influence President Wilson has over the party in power in Congress, the situation would have become even more difficult than it is, and in all probability a Japanese exclusion law would have been enacted this year, and precipitated a real crisis in the relations of the two nations. The Japanese Government is equally concerned with the Government of the United States in preventing a show-down on this question, for it is feared that popular clamour in Japan would bring about a dangerous situation if it was realized by the Japanese people that they were really and finally barred from immigration to the United States, and were thus classed socially with the Chinese in the eyes of a civilized world in which their wholesome ambitions are for a recognized equality with the best.

On economic and social grounds, Japanese labourers are not wanted in America, and this applies to Western Canada as well as to the United States. Just at a time when President Wilson thought he had the situation well in

hand, so far as Congress was concerned at least, the United States Commissioner-General of Immigration, an appointee of the President, and a citizen of California, appeared before the Congressional Committee which has control of immigration affairs, and boldly advocated the exclusion of all Asiatics from the United States, and failing that, a system of registration which would enable the Government to keep track of those admitted, and thus put an end to immigration through unrecognized channels. Mr. Caminetti, who is the United States Commissioner-General of Immigration, asked the Committee to take immediate action "to check the menace of Asiatic immigration," and said further—

"Asiatic immigration is a menace to the whole country, and particularly to the Pacific Coast. The danger is general. No part of the United States is immune. The Chinese are now spread over the entire country, and the Japanese want to encroach. The Chinese have become so acclimated that they can prosper in any part of our country. The Pacific Coast and the South are peculiarly subject to their choice, because of the favourable climatic conditions afforded in those sections. The people of California waited patiently for diplomatic agreement on the Japanese question. I do not think they want to wait for diplomatic settlement of the Hindu question. Congress should

provide laws for better control of the northern boundary, where the Japanese and Chinese as well as the Hindus have been getting in, despite our immigration inspectors. There should be provision for water patrol to watch the many islands on the North Pacific Coast. I would have a law to register the Asiatic labourers who come into the country. It is impossible to protect ourselves from persons who come in surreptitiously."

In the present economic condition of Japan, the most natural turn of events would be a large and unrestricted immigration of surplus labour to some country where conditions were favourable for immediate employment, and the earning and saving of money to be sent home. The Italians in the United States send \$100,000,000 (£20,000,000) annually to their native land. This is a tremendous factor in the home finances of Italy. It supports many dependants, buys land, floats small business enterprises, purchases tickets to America for new emigration, and furnishes business for all the Italian banks, some of them subsisting almost entirely on the profit arising from the handling of emigrant funds.

Such an outlet for population and such a source of revenue is exactly what Japan needs most urgently at the present moment. America is the only country which offers itself as a possibility for the economic salva-

tion of the Japanese people. At the present time the Japanese are hard hit at home. They have overreached themselves in the matter of public indebtedness, the annual expenses of the Government for interest and fixed charges are enormously heavy, with resultant burdensome taxation. Industry does not find as free an outlet for foreign export of manufactured goods as is needed, famine has desolated large agricultural areas, and Korea, Formosa, Manchuria and even China fail to offer themselves as avenues of escape for the thousands at home who are in need of employment at living wages. Industrial troubles and heavy taxation have led to great unrest among the people. Education is spreading rapidly, and socialism with it. The Emperor is losing the divine place he formerly held in the imagination of the people, and the open and notorious corruption which prevails in Japanese local politics does not add to the stability of the Government or the discipline of the people as a whole. Recent scandals in connection with the navy, the idol of the people, have shaken their confidence in everything.

The result of all this has been a marked increase in lack of restraint, especially in the larger communities, and it has been the experience of Europeans who have employed Japanese labour in Japan that the men are inclined to be restless, quarrelsome, turbulent, and easily

aroused to demonstration, interfering with their value as a dependable industrial force. Is it quite true in fact that some of the larger employers will only hire women, wherever it is possible, for the Japanese women, on the contrary, constitute one of the most dependable, skilful and practicable labour supplies in the world. The Japanese nation is, in brief, reacting upon itself, and being denied an outlet for a population which has now reached 68,000,000 and is rapidly increasing, is vastly in need of a foreign vineyard to which her sons can resort for labour and the profits therefrom.

From this need arises the movement of the Japanese to the United States and other American possessions. The total population of Hawaii is about 200,000. Nearly 80,000 Japanese constitute by far the largest number of any one race in the island, and they are gaining each year in their proportionate number. A serious question has already arisen in connection with the voting privilege, for a Japanese born in Hawaii is given the franchise on coming of age. It now seems probable that it will be but a few years before voters of Japanese parentage are in the majority, and it is more than probable that some change will be made in the law before long, to prevent Japanese ascendancy in Hawaiian local affairs. No such influx of Japanese immigration is noted on the mainland of the United States,

but Japanese labourers who do immigrate generally get together, form colonies of their own, and so make themselves much more apparent than their number would warrant when compared with the total population of the country. Were it possible for Japanese labourers to distribute themselves throughout the mass of the people they would probably have escaped notice for some time to come. The marked racial difference between the Asiatic and the European, with all this means in point of view, manners and customs, has made this impossible, and careful observers have recently reached the conclusion that race antagonism in nearly all directions is becoming more noticeable among the American people than ever before. It appears to be an instinctive development of distrust, suspicion and dislike, especially directed towards the Oriental, be he from the Near or Far East, and to prevail irrespective of the apparently modifying circumstance that its object may be American-born. Predictions are freely made that in course of time as one or another alien influence becomes too obviously dominant in American life, a strong movement will prevail which will give rise to unpleasant racial antagonisms. The American people have been careless, generous and indifferent to possible consequences of alien participation, but in this as in other cases, reaction can come swiftly

and with violence, when once public sentiment is aroused, as to the possible danger to American ideals. Intelligent Europeans familiar with American life are confident that it will not be many years before the attitude of the American people towards alien influence is just as sharply defined as the attitude of Europe is to-day, though greater vindictiveness is expected, as new opinions come to the American people with a rush, and extremes are often easily and quickly reached. When it is borne in mind that fully three-quarters of the men and women who count in the present management of American affairs are still of more or less Puritan stock, the danger of any real Slav, Hun, Latin or Oriental ascendancy becomes negligible.

The diplomatic situation between the United States and Japan is one of cold but punctilious politeness. Some years ago the Japanese Government, in its desire to reconcile the nation to vast expenditures for armament, cultivated the idea among the taxpayers that war with the United States was a possibility. Out of this have grown some of the difficulties of the present antagonism, although the anti-American propaganda in Japan ceased some time ago. There never has been, nor is there now, any real reason for such a war, and it would be an utterly futile conflict for both countries in results that might be achieved.

It was said that Japan wanted the Philippines, but more recently it is known that those islands are not looked upon with favour by the Japanese Government as an asylum for Japanese emigration, for climatic and other reasons. The day of war indemnities has gone by, Japan herself setting a notable example in the case of Russia, though there is reason to believe the Japanese people have since bitterly regretted a moderation for which President Roosevelt was somewhat responsible. Later it has been said, in fact military experts the world over agreed, that if Japan contemplated war, it would have to be brought off before the completion of the Panama Canal. The canal is now practically finished, and the effective power of the American navy thereby largely increased. The influence of England with Japan, whatever that might amount to, would be exerted to the utmost to prevent hostilities between Japan and the United States, and in the present overloaded condition of Japan it would be very difficult for that country to finance a struggle against a power which in the end would surely be the victor, not necessarily on a showing of present forces, but by reason of unlimited resources, reserve power, and the spirit of the American people. It might be true, as Mr. Kipling is reported to have said, when asked his opinion of what would happen in case of war between

the United States and Japan, that the first effect would be "twenty millions of the maddest people in the world twenty miles from the Pacific Coast," but the twenty millions would in time come back, and there would be seventy millions more behind them. There does not seem to be any possibility of war between Japan and the United States, looking at the situation from almost any point of view. Peace will not prevail because either nation is afraid of the other, but for much more creditable reasons.

It is a serious question whether the United States Government is acting entirely frankly and honestly with the Japanese nation. The American people have freely expressed their desire for Japanese exclusion. There are no illusions on that score, and the Japanese are as well aware of this as are the Americans. To dodge the issue and attempt by diplomatic subterfuge to postpone the inevitable, is no part of wisdom or fairness. A frank acknowledgment of the realities would mean that the United States Government informed the Japanese Government that although it might regret the fact, the American people were bent upon Japanese exclusion, and there was no longer any good to come out of diplomatic correspondence on the subject, excepting to convey a notification of intention to denounce

existing treaties, that the way might be made clear for new conventions, based upon things as they had to be. That this would not be pleasant news for the British Government is evident, for Canada would inevitably follow suit, both countries including the Hindu labourer as well as the Japanese among the prohibited classes of immigrants. This would put England in a very uncomfortable position with her ally Japan and her peoples in India. Nevertheless the situation looms large upon the horizon, and while it may be postponed for a time it will have to be faced sooner or later.

It can be easily understood what the Japanese are fighting for. Their needs are economic, and their proud ambition encompasses an acknowledged equality with all peoples, Western as well as Eastern. It is a constant source of irritation and serious loss to Japan that Japanese labour is not welcome everywhere. It is a serious humiliation to find that, while she is classed as one of the great Powers, her people are banned from some civilized countries as being "undesirables." It is a bitter pill to swallow and it gags the patient. It will serve to drive Japan back into herself and the field of the Far East, which she now dominates, and will, in course of time, take to herself even more effectively than at present.

The reactionary effect of all this will work no good to the English-speaking peoples, for the chance of expanding their influence, political or commercial, in the Far East, will decline in proportion to the degree to which Japan is forced to intensify her cultivation of Far Eastern territory. The West has furnished Japan with her most powerful weapons, and the West is now forcing her to use them to Western discomfiture. In this situation are involved American interests in the Far East, and English interests not only in the Far East, but in India and the Near East as well. Should the United States deal frankly and honestly with the question of Japanese exclusion, all this will come to pass, but it cannot be avoided by temporizing methods. It will come anyway, and when a thing is to be done, no matter how disagreeable it may be, the quicker it is gotten rid of the better for all concerned. The present course is fair to neither people, and while the United States finds this matter but one of many concerns of more or less importance, it is a leading and vital issue in Japan, and the Japanese people are now led to believe either that the United States is afraid to force the issue or that exclusion can be deferred indefinitely. Those who know the American people and their ideas and ideals know that the Japanese are not wanted, and

will be kept out, and that if this matter was now referred to the popular vote, it would result in notification to the Japanese Government to the effect that Japanese labour must now and for ever seek other outlets than America.

CHAPTER X

FOOD AN INTERNATIONAL ASSET

THE food supply of the world has become an international asset, shared by each nation in proportion to its needs and purchasing power. To own or control a food supply sufficient for the nation has been a dream of British Empire. The idea is not new. It has prevailed among nations since history began, and is still a cardinal principle in many theories of government and attempted practices. It is a creed, however, the logic of which disappeared with modern conditions, and it has ceased to be a practical possibility. When all nations occupied contiguous territory, and invaders were beaten off with clubs and javelins, there might have been some reason for fearing a monopoly of bread and meat; but with the world to draw upon, divided as it is into scores of political components, and transportation at its present high state of efficiency, to corner the food supply of the world with such effectiveness as to starve a strong nation into submission would be beyond the naval and land strength of the most powerful country of to-day.

There is nothing in this situation which should discourage any country from developing its own resources to the highest potentiality, but the reason for such development, and the advantages thereof, lie in healthful occupation for the people, and a control of prices, rather than of total supply. Seventeen years ago the Russian Government suggested to the United States a combination of the wheat-growing countries of the world to raise the price of that cereal for the benefit of the producer. The United States Government rejected the idea, giving two reasons for this action: one, that it did not believe it to be a function of government to attempt to manipulate prices to an artificial level; and the other, that it was not believed the proposed plan could be successfully carried out. I fully explained this proposition of the Russian Government in 1900, four years later, in the *Fortnightly Review*. The publication attracted considerable attention at the time; the Russian Government denied any intention of starving out the bread-eaters, and the matter was dropped. Subsequent events show that the United States Government was correct in its position that no two, or even three or four, wheat-producing countries could long successfully combat the law of supply and demand. At that time Russia, the United States, Argentina and Roumania were the

principal wheat exporters. The United States has since dropped out of the list, and Canada and other parts of the world have more than supplied the deficiency.

Not only have new bread-producing areas been developed, but as a rule nearly every country in the world has increased its own production to supply the increasing needs of its people. There is to-day practically no limit to the food-producing power of the world. Vast and virgin territories are yet to be brought under the plough, and in the largest producing areas of the present time the average yield per acre is far below the possibilities of the land. Nearly all of the countries figuring as large grain exporters are still in a primitive state of development. Many of the countries which are small exporters of grain are large producers, but the grain-growers have found it more profitable to ship their grain in the form of meat rather than in the form it first appears upon the market.

Several years ago the so-called American meat combine was accused of causing an era of high prices in England, the truth being that the American meat then sold in the British market was disposed of at a very narrow margin, or even at a loss, as prices equally high were being realized in the home market. Shipments were continued abroad, largely to fill long-time contracts and to prevent expensive

selling organizations from being destroyed. During the past few months this same combine has been accused of flooding the English market with meat, and breaking prices to the detriment of the local producer and seller of European meat. It is needless to say that in the first instance the complaints of high prices came from the consumers, and in the second instance the complaints of low prices have come from the local producers and dealers. In the first case the public mind was easily worked into a state of exasperation by skilful publicity, but the general public is not going to be seriously disturbed or made resentful by a period of lower prices, even though brought about by the same alleged influences.

No more striking illustration of the multiplicity of sources of food could have been given than during the era of high prices referred to. Shipments declined from some points, but promptly increased from others. The inducement of high prices drew supplies from sources hitherto unknown, and from so many different parts of the world, that to no one nation or country could any debt be acknowledged, nor was any source revealed upon which future dependence could be definitely placed. In the year of the meat famine referred to, ordinary supplies had been coming from the United States. The home market in that country since that time has largely absorbed the visible

supply, and to find other meat to take the place of that formerly exported from America has been the task of the meat purveyors of the world.

Argentina presented the greatest possibilities for the future. At that time the raw material in Argentina was plentiful, but there was no modern system by which it could be prepared and shipped abroad in such quantities and at such regular intervals as would be necessary to make that country a dependable source of supply. The meat packers of the world, and they are international in their organization and energies, began their operations by acquiring plants already in existence, enlarging and improving them and building others. In 1910 they controlled about 50 per cent. of the exports from Argentina. The effect of these operations is only realized this year, when the local purveyor in England and on the Continent finds the back of the market broken by this new, formidable, and now fully developed source of supply.

During the past few years the middleman and the consumer have been so educated to a high level of prices, and the increased cost of living has been so dinned into the ears of the public, that any tendency to lower prices surprises the householder, and gives the local producer and his middlemen a feeling of personal injury. These latter agencies will

get little sympathy, for the people have for long entertained a shrewd suspicion that the smaller middlemen, aided and abetted by the producers, were getting a far larger share of the housekeeping money than they were entitled to in a fair division of profits. It is not probable that prices of bread or meat will ever again drop to the low level of years ago. The population of the world and its absorptive power are increasing faster than the supply; but long before meat and bread reach prohibitive prices in any part of the world, the supply readjusts itself over the whole consuming area, so that, while the general level may be higher than before, no one nation pays in great excess for its share of what there is to eat.

The twentieth century might well be termed the age of internationalism. This is true of the humanities, and particularly true of all material forces and supplies. It is now generally acknowledged that money is international. Gold flows here and there, supplemented by credit, until now it matters not where a loan of magnitude be asked, it will be supplied by the same influences in one place as another, and in the end the securities representing this loan will find their way to the same ultimate investors. The supplies of bread and meat for the human race are governed in much the same way. No one nation,

however powerful, could to-day rightfully make the proud boast that the hunger of humanity can only be satisfied through its good will. The fact that the Canada of to-day supplies more wheat to the world than the Canada of ten years ago means no more to the bread supply of the people of England than it does to the bread supply of America or the Continent of Europe. It means much in the growing wealth and strength of Canada as an important part of the British Empire; but as an actual source of supply, in which England has any particular preference, it means nothing. If war between great nations should prevail, the grain ships of Canada would be no safer than those of Argentina, and those of Argentina would be in as much danger as those of Canada. In brief, if England wanted wheat or meat, her people could get it as quickly and as safely from a country flying a foreign flag as they could from one sporting the Union Jack.

It would also be giving human nature far more credit for loftiness of character and purpose than is allowable, to suppose that if some other great Power was at war with England, Canadian wheat would be diverted from the enemy's shores by any feeling of patriotism. It would be an unfair test to subject the commercial gamblers of the world to an offer from the enemy, of good prices for food, which would otherwise rot upon patriotic

hands. There have been too many wars of contraband and blockade running, and too many fortunes of to-day are founded upon its adventures, to believe that it is a thing of the past. The advantages of a food-producing industry in any country are not strategic; they are economic. A country which grows grain and fattens live stock is in an enviable position, in that such industries can be likened only to profitable gold mines. They are even better, for they not only give occupation, and produce unquestioned and flexible wealth, but they do so in a manner best suited to the health of the nation as a whole. A nation dependent upon manufacturing and export, or upon banking and investment upon paper security, is subject to the whims of fortune at all times. War, fire, pestilence, famine, or panic elsewhere react upon the welfare of every manufacturing and exporting nation, no matter how remote. The food-producing country rests always secure in the first needs of humanity for its produce, and barring the occasional bad crop, can count more securely upon its yearly gain than can the seller of manufactured goods or the moneylender.

As this certainty of income does not, however, include the sum and substance of human ambition, it does not follow that agricultural countries progress most rapidly. In fact, quite the contrary. It needs the hot-house atmo-

sphere, and the artificial light and crowded life of industrial and trading communities, to generate the forces which move the world to great adventure. Some nations, by reason of environment and opportunity, are food-producers, while others are the food-consumers, and it is due to the preponderance of the latter, and their greater strength and activity, that the food supply of the world has become internationalized under the real control of no other law than that of supply and demand. People are going to eat to live, and those who have of the substance to fill this need are going to find their market, regardless of flag or nationality, and equally regardless as to whether or not they are strengthening the sinews of war, be they of friend or foe. American packers in Argentina would sell to the Japanese even though their own country and that of their customers were at war. English shipbuilders might as well be expected to refuse to build German ships to-day, for fear these ships might be used against England's Navy at some future time. The French peasant gladly accepts German gold for his produce, and the Bulgarian had no difficulty in buying Roumanian grain, even while the armies of the two countries lay ready to fire upon each other.

It might be more difficult for a nation at

war to feed its people, and prices might soar for the time; but it would not be because of any reluctance to sell at the source of supply, but entirely because of the difficulties imposed upon transportation. Nature, and not man, is the common enemy of the consumer, and it is only as the necessities of the human race have forced her hand that she has yielded of material for the sustaining of human life. All the world has joined in an attack upon her strongholds of the wilderness. One by one they are penetrated and converted to the needs of the bread-eaters. At first, as in Siberia, the ploughman breaks virgin ground every year in his effort to skim the cream from the fatness of the earth. When he reaches the confines of the new land he turns back, and by more thorough methods coaxes an increasing yield from the more reluctant earth. When the free humid land of America was exhausted, the people joined issue, spent vast fortunes to conserve the waters, and sixteen million more acres were added to the arable and productive area. In many parts of the world to-day the railroads are creeping in upon plains and valleys but lately classed as wild hunting-grounds. In South and North Africa the ploughman's frontier steadily moves along, each new acre embraced within its scope furnishing its quota to the food supply

of the world. In Canada the skyline to the north, upon which no plough-team is silhouetted, grows more and more remote.

Awakening to the problem of feeding a hundred million people, the farmers of the United States are seeking successfully in the more intensely settled countries for methods to increase the yield per acre. An endless procession of land-tillers is moving from Western into Eastern Russia, pushing the plough-line towards the rising sun in their struggle to add to the bread supply of the world. When they advance beyond the limits of profitable transportation of grain to the consumers they turn their cereals into meat, and in this condensed and more profitable form it can reach the markets still at a profit. In Russia to-day there are about two and a half million acres under the plough, and double that area can be cultivated before any serious question of method arises except that of transportation; and this latter problem is invariably solved when traffic warrants. Thousands of square miles of land throughout the world lie untouched, awaiting their call of usefulness; and in areas now cultivated, and equally as great, it needs but an admixture of brains and adventure to raise the present production to a point which would double, and in many cases treble, the annual contribution to the food supply of the world.

England, Germany and France are three great nations dependent upon others for the wherewithal to feed their people. As they grow in population, industry and wealth, this dependence increases in proportion, and yet it is not held as a fatal, or even a serious, weakness in the national foundation or structure. There has been much talk of home supplies, and a few sporadic efforts have been made to create a grain and meat reserve under shelter of the flag; but up to the present this talk and effort have produced no considerable result, nor lessened dependence upon foreign territory. Nor will it ever accomplish the object held in the theories of some to be so desirable. There is no compelling power behind the idea, for such ownership of food-producing area by each nation in proportion to its needs is neither possible nor necessary, and the world-wide though tacit acceptance of this fact is one of the great causes for the decline of vast wars for territorial gains.

The fact that Canada, as an important member of the British Imperial family of colonies, has developed into a grain-producing country is not due to any encouragement from England, or by reason of the necessities of the mother country any more than those of other countries. The bulk of Canadian grain follows the natural channel, flows over into the United States, and in time finds its way to

the man who buys to eat, whether he be in America, England, Germany, or Timbuctoo. Canada became a wheat-growing country because that was her immediate and most profitable destiny, and her produce is dumped into the vast granary of the world to be distributed impartially at the dictation of the law of supply and demand. If it had been a necessity that the English people, through their Government, should own and control their food supply to hold successfully their position as the strongest and most impregnable nation, they would long ago have lost this proud position.

If a lack of bread and meat for her people constituted a fatal weakness in the nation's upbuilding, Germany would have been checked in her marvellous and rapidly expanding career years before she could have with any appropriateness demanded a "place in the sun." The American nation increases its wealth and world-importance with each succeeding year, and yet to feed the population it is already necessary to fare abroad for the means to do so. The real growth and development of every great country has been measured in a way by a decreasing power to feed the people with home produce. It is left to the more primitive countries to sow the grain and feed the cattle for export, for to do this with profit the land must not be more valuable for other

purposes. These international granaries and butcher shops are neutralized or internationalized by the very character of their industry, and so they must remain, for the bread-eaters constitute the most active and powerful element in the human energies of the world, and they would brook no tampering with their sources of life.

For one nation to own these grain- and meat-producing countries would bring no monopoly or control of their production to the landlord of modern times. He could make no threats and exact no penalties which would prevent the produce of his tenants entering the market in search of buyers. The producers themselves would become the natural allies of the enemy in the attempt to circumvent the purpose of the overlord. In times of war already inscribed in history this has proved true, for grain, meat, cotton and other staples have been exported in spite of prohibitions and of blockading fleets. It has been many years since restraint in trade has been tested as a war measure, except in a few comparatively minor and unimportant instances. The Government which checked the free movement of the food supply of the world would find itself in ill-repute not only with all foreign people, but exposed to attack from its own citizens.

The total wheat production of the world is approximately thirty-six hundred million

bushels. Nearly a third of this is grown in five countries. Russia and Canada are the only two countries amongst these wheat producers whose exports promise to expand in volume with each succeeding decade. Allowing that Russia, Canada, Roumania, Austria-Hungary and Argentina are the countries which furnish the bulk of wheat for the export and import trade of the world, and that all other countries either produce barely more than sufficient for their own needs, or are purchasers of the surplus of the world's stock, it will also be realized that in these exporting countries are the only sections of the world's surface as yet unploughed. Their possible limit of productiveness is as yet unknown, but it would be conservative to estimate that Russia and Canada at least can double their production by merely extending the operations of the plough. England, Germany and France cannot be expected largely to increase their yield of wheat, for as their population advances so will their bread imports increase. England and France will not make such gains in population, however, as to raise any question of an abnormal increase in bread supply. Germany is the only European country which might be forgiven a certain amount of anxiety as to how her people were to be fed. On the other hand, there is far more possibility of an

expansion of German grain-production at home than is generally realized; and, as she is neighbour to Russia, where the possibilities are limitless, her people have small cause for fear as to the future.

The people of the United States have recently raised the question as to their future bread supply, but as the average yield of wheat in the United States is now only about twelve bushels per acre, the statement that this yield could be doubled through more intensive farming methods cannot be challenged, and in this way the American people will gradually and in time meet the problem of their own needs. It only requires a scarcity sufficiently apparent to threaten prohibitive prices to bring about this obviously needed and logical change in American farming methods. What will happen, therefore, in the future development of the world's bread supply will be, in brief, that countries now raising wheat whose populations threaten to exhaust the home supply will increase the home yield. Countries now exporting wheat will extend their acreage, and, as is natural in the economic development of the world, it is the wheat-exporting countries of to-day which can furnish an increase of tilled area. Russia produces five hundred million bushels, or one-seventh of the wheat in the world, and

will increase this yield to a thousand million bushels in course of time. Canada now grows something over two hundred million bushels of wheat, and her product will in time reach the present Russian figures. These two countries alone can take care of the increasing demand for bread the world about for many years to come, and possibly so far into the future that prophecy ceases to be interesting. To say that any advanced and highly-developed nation is badly off if its people do not raise wheat in sufficient quantities to feed themselves is to give the lie to modern civilization, for the mightiest and most highly civilized, wealthiest and most prosperous nations of to-day are importing more or less of their breadstuffs.

The land of these countries, and the energies of their people, are given up to intenser and more profitable occupations. These countries are not great because they do not raise all of their own breadstuffs, or even in spite of the deficiency, for this occupation is left to those who can for the time do nothing else, and it will be found in the future, as in the past, that as these bread-raising countries advance the complexity of their so-called civilization, their bread export will decrease accordingly. If some of these present great bread-exporting areas of the world should suddenly come under

the dominion of the most advanced and strongest bread-buying nations, it would be found that, barring certain sections where nature decrees a grain harvest and nothing else, the first forward movement made in response to the new and more scientific influence would be to turn the grain fields to other uses. If these lands were acquired for the values they might possess as natural granaries, it is most probable that the transfer of title would result in defeating the original purpose. This would be because of the wealth, energy, and spirit of adventure looking for new avenues of escape in all the larger nations of the world, with only one exception, that of Russia. This capital and energy would naturally overflow most readily into lands under the control of those people having money and energy to invest, and with the added incitement of newly-possessioned territory it would receive more attention than land long in possession of these same people.

The deduction seems to be fair, therefore, that not only is the bread supply international, but that its ownership or control by the stronger and largest consuming nations, or, in other words, by those who need it most, would not make for the best advantage of the bread-eaters, not even those of the country securing first lien upon the land. The same

line of reasoning applies to the meat supply of the world. The countries possessing the most cattle are India, the United States, Russia and Argentina, in the order named. The English people import about one-half of the meat they consume. The English govern India, and India has the most cattle; but no Indian meat reaches England. Much of the import comes from Argentina, a country with one-fourth the visible supply of India, and even more from Canada and Australia, countries with a very small percentage of the world's visible supply. Argentina, Australia, the United States and Russia are the largest sheep-graziers. The mutton consumed in England comes largely from Australia, not as a matter of patriotism and Government influence, but by reason of a surplus and special transportation facilities. The United States, Germany and Russia are the largest hog-raisers, but America is the largest exporter of hog-products, notwithstanding the greater distance, not only by sea, but to the dependable inland points of supply.

The world's stock of meat is not apparently as dependable as that of grain, but this is because of the character of the industry in the past. The basis of the beef and mutton supply was once the range herd, subject as it is to all the vicissitudes of weather, drought,

floods and encroaching settlements. A twelve years' drought in Australia reduced the visible meat supply of that country by many millions of animals. The advance of the cultivated area in America reduced the supply of range animals. On the other hand, with the disappearance of free range came a change in method, and the farms of America now produce such a large proportion of the meat which goes to market as to render the range industry an inconsiderable factor. With intense cultivation and more scientific farming comes an increased yield of meat, for the money-making farmer sells his produce in the most refined form, which, as a rule, is not the shape in which it comes from the ground. In some cases the production of finished meat is the ultimate purpose of the landowner. In other cases the production of such meat is as a by-product to take care of waste. In either case the meat supply of the world is added at a much higher, more consistent and surer rate than when the finisher depends upon the open ranges for his supply of "feeders" for fattening purposes. The so-called "destruction" of the range, of which much has been heard in America from those pleading for special privileges in the Western States, is therefore a force operating not only to the benefit of the nation in the building up of

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new farming communities, but also towards the increase of the meat supply, and an assurance that through no irregular play of natural forces, such as severe drought or disease, will the constant supply be seriously threatened or even diminished.

America, formerly furnishing the bulk of the meat supply for export trade, has now reached a point where home production fairly suffices for the American people, but coincidentally with this decline of American export has come the growth of the industry in Argentina and elsewhere. In the years to come China, already a factor in the export trade in pork, is going to supply all of the people of the Far East with this meat; and in all probability these exports will, as the industry expands, travel far beyond the limits of the Orient. Africa, especially South Africa, is as yet only in the beginning of her possible development both as to grain and meat production. Australia is the enigma of the world. This great country, a continent in itself, remains sparsely settled, undeveloped, and apparently shunned by those seeking a reward of careful land cultivation. While it is true that emigration to Australia is increasing, that country cannot be said to really share in the forward movement throughout the world resulting from the need of

opening up new food-producing areas anywhere near in proportion to her apparent possibilities. Russia, a country far less in the English eye or mind, is making greater strides towards the fulfilment of her ultimate destiny as the great food reservoir of the world than even Canada, of which we hear so much. It takes some time for even the sober mind to recover its balance after the ten-day rail journey from Moscow to Vladivostock, for the calmest survey of that vast stretch of the earth's surface will bring home the undeniable fact that between these two points lies territory which in soil, climate and resources might be, economically speaking, estimated as equal to two United States of America.

South America presents no such possibilities, by reason of the physical character of the country and the nature of the population. These will not change within the scope of this century at least, possibly not even later, and with the exception of such food elements as lie without the bread and meat supply, the entire South American continent can be excluded from the calculations as promising much more than is now being done. There will be no great increase of grain export from South America in the immediate future. There will be some increase in meat export, but as compared with what can and will come from

Russia, China, North America, Africa, and even possibly later from Australia, this increase will constitute but a small percentage of the world's supply.

It is not from a review of the current grain and meat market, or from crop statistics, that a comprehensive knowledge of the future food supply of the world can be obtained. It is rather from a careful survey of the world's surface, a realization of the really small proportion thereof which is now utilized, and a study of the parallel development of civilization and food production, which will inevitably lead to the conclusion that there is no need for anxiety as to the permanency of the supply of those materials which man has chosen as the basis and principal part of his nourishment. All that is needed to increase the supply is increased pressure of demand, and the corresponding threat of higher prices. An increasing farm area means more produce, more produce and more intensive methods mean a higher yield of grain and an increased production of wheat. It is not by years this question can be dealt with, but rather by decades, for the yearly fluctuations of the prices and visible supply have little to do with the larger question of sufficient food for the increasing population of the world.

It is equally unnecessary for any nation to

own sufficient food-producing area to feed its own people, or to show anxiety over the fact that deficiencies are supplied from lands under alien flags. Practically all commerce is founded on exchanges of the products of the earth. If any manufacturing nation was able to supply from its own territory all the food staples necessary to the life of its own people, the destruction of foreign trade which would follow would be far more serious in its consequences than a shortage of home-grown bread and meat. To build up foreign commerce a country must have something to sell and something to buy. Ships must be loaded both ways, and if England or Germany bought no food supplies excepting from their own colonies their people would soon find their foreign commerce dwindling away and falling naturally into the hands of those who needed to buy and consume the produce of their customers. As said before, there is nothing in this argument which would militate against each and every country developing its own land to the highest possible point of productiveness, or the advantage of including within the Empire lusty colonies in which agriculture was the dominant industry, but the chief reasons for the value of these features of the nation's life lie in their usefulness to the social and political structure.

In brief, there need be no anxiety as to the future supply of bread and meat, and it makes no difference where these staples are produced, for the surplus available for export is an international asset.

CHAPTER XI

AMERICA AND THE BALKANS

“WHAT Did the Emperor Do?” This was the conundrum propounded by the Press of Europe when it became known that the day after the signing of the Balkan Peace Treaty at Bucharest, August 7, the King of Roumania had telegraphed most earnest thanks to the Emperor of Germany for his assistance in bringing about the final agreement.

All Europe was startled by this telegram, for in none of the negotiations had the hand of Germany been visible. In fact, quite to the contrary, Germany had been generally accused of temporizing with the situation, by maintaining an aloofness ascribed to her desire to avoid antagonisms and for future gains. The query as to what the Emperor of Germany did, to call forth this exceptional and only telegram of thanks sent from Bucharest, has never been fully answered, and it is time it was, for in many quarters it is not the fashion to give the German Kaiser full credit for the practical work he has accomplished towards maintaining the peace of the world.

German aversion to arbitration treaties,

the cynical attitude of her people towards the Hague Peace Conference, recent vast increases in armament, her demand for a "place in the sun," and other apparently warlike measures and utterances, have created a general impression of aggressiveness which for political reasons has not been minimized, particularly in England and in France. That this attitude has been naturally or even wilfully misinterpreted at times, is patent to any one who has given impartial study to the peaceful character and purposes of the German people, and noticed the closeness with which the Emperor now hews to the line of that character in all his words and actions.

It was Lord Haldane, the English High Chancellor, who, in a speech made nearly a year ago, said that the Emperor of Germany had held the peace of Europe in his hand for twenty-five years, and had not broken it. Immediately following this statement, the second storm broke in full fury in the Balkans, a disturbance which gave serious threat to the peace of the whole world, as it involved all of the so-called Balkan allies, each one having the well-defined sympathy of one or more of the great Powers, and expecting aid, or at least encouragement, and possible diplomatic protection, therefrom.

Bitter antagonism existed between Austria and Servia : Russia leaned towards Bulgaria

and Servia through racial sympathies, and Italy still had questions of territory pending with Greece, and was jealous of an extension of Grecian maritime power. Turkey, prostrate under two disasters, gloated over the troubles of her late foes, and was hoping to slip back into lost territory during the *mêlée*. England and France, while non-committal, had vast interests at stake and jealousies to serve, while Germany, in close alliance with Austria and Italy, her people vitally concerned in Near Eastern matters, was apparently forced to absolute neutrality by conflicting interests.

Thus the stage was set, when the Balkan States, exhausted by internecine war, and hopelessly at odds over a new division of territory, sent their delegates to Bucharest to agree upon the terms of a much-wanted and much-needed peace. These delegates were instructed to get all they could, and their claims and contentions so overlapped that the situation was apparently hopeless. The ambassadors of the great Powers advised, suggested and even threatened, but no progress was made. Greece demanded practically the whole of the southern half of the Balkan Peninsula, and other far-flung boundaries toward the east and north. Servia's designs encroached upon Bulgarian territory and the ambitions of Greece. Bulgaria asked that she be not despoiled of hard-won ground.

Roumania wanted a heavy fee for her interference, and the small voice of Montenegro refused to be stilled.

The concert of the great Powers still demanded peace, but yielded no solvent to the situation; in fact, there was a certain academic quality to this demand that took from it the force of a mandate. No one of the Powers was willing to pull the chestnuts from the Balkan fire, even with the consent and approval of the concert. The correspondents of the great newspapers of the world sent out word from Bucharest that a treaty was impossible.

Then something happened. Unknown to any one except those most closely concerned, the personality of the German Kaiser was injected into the situation. With no word to ally or foe, and with no Press report of the proceedings, the German Emperor set to work to bring order out of chaos. He advised his brother-in-law the King of Greece to modify his demands, to yield to Bulgaria a proportion of the Mediterranean coast, and to play fair with Servia to the north. He notified all parties to the negotiations that in spite of Austrian jealousy, Servia must be given of her demands sufficient to enable her to sign the treaty with fairness to herself. It was perhaps not difficult for Germany to curb the ambitions of Greece, but it was a delicate,

dangerous and courageous task to oppose the wishes of her ally, Austria, in an attempt to secure for Servia such a deal as would induce the latter country to sign the peace convention.

The German Emperor was successful in his bold attempt to establish the balance of power in the Balkans, and the world owes it largely to him to-day that not only did the Balkan States cease warfare among themselves, for the time at least, but the danger of a greater conflict was averted through the possible intervention of one or more of the great Powers. This German interference on behalf of Servia was a bitter pill for Austria to swallow, for Germany had supported the annexation of Bosnia and Herzegovina, and German neutrality might reasonably have been counted upon in any attempt of Austria to curb the territorial enlargement of Servia. Austria took her medicine, however, though not without making a wry face, and with much grumbling, and the Triple Alliance still stands.

Thus did the German Kaiser once more justify Lord Haldane's estimate of his character and intentions, as a War Lord in whose growing strength lies increasing likelihood of peace in Europe, and therefore throughout the world. The Hague Conference would do well to study his methods from an impartial and practical point of view.

Following the treaty of Bucharest, a new

war spectre arose in the quiet but determined and effective return of Turkey into territory she had lost, under the terms of the treaty of London, then but a few months old. The Powers were unanimous that Turkey must leave Adrianople, and retreat beyond the Enos-Media line, established by the Treaty of London as the northern boundary of Turkey in Europe, but how to make her do it was quite another matter. Armed intervention by Russia was suggested, and even planned, but Russia is not wanting war just now, and such intervention suggested future complications, possibly still more serious than those already existing.

Both Russia and Germany attempted diplomatic persuasion, but against the obstinacy and evasiveness of Turkish diplomacy, made little headway. The financial starvation of Turkey was suggested by Russia, as the Turkish Government is ever in need of money, and notoriously ready to concede in return for a new loan. But French money lies ready in vast sums for just such opportunities as these, and while the French Government might discourage lending by French people or French banks direct, there was no way in which French money could be restrained from going to New York and returning to Turkey in the guise of an American loan, so even this project fell through.

Meanwhile Turkey rested on her self-made boundaries, and preferred to treat with Bulgaria alone, at the moment a weak and exhausted country and Government.

In certain quarters the financial needs of Turkey were regarded as a great opportunity for Americans to secure a hold upon the Near East which would yield much diplomatic, financial and commercial prestige in the near future. There were several reasons why this opportunity could not be seized upon. One lies in the present ineffectiveness of American diplomacy, another in a lack of money to lend, and still another in that the United States could not afford to be instrumental in defeating the desire of Europe that Turkey should be brought to book. Any action on the part of America in this direction would have been tantamount to a breach of diplomatic neutrality in a European controversy.

It would be extreme optimism to believe that peace has now come to stay in the Balkans, for in all probability it has not. All of the States are jealous one of the other. Their Governments are given to intrigue, and neighbouring European Powers are always ready to play the game. The Bulgarians, the strongest and most virile people in that part of the world, have been humiliated almost beyond endurance. They are sullen and revengeful. The temper of the people as a whole is that

of the Bulgarian soldier who lost a leg in the war against Turkey. The Queen of Bulgaria, who was very active in charitable work among the soldiers, was visiting the hospital in which this soldier lay wounded, and seeing his condition attempted to cheer him up by the promise of a new leg. She told him that in course of time she would be able to give him a very good wooden leg, but as these particular legs had not yet arrived, she would in the meantime see that he had a peg leg fitted to his stump. The soldier saluted his Queen, and replied: "Your Majesty, I do not want a peg leg. I gave a perfectly good leg to my country, and I want a good one in return."

The people of Bulgaria feel that they have given a perfectly good leg for the victory they won over the Turks, as indeed they did, and they now feel that they have been cheated of what they should have had in return. The time will come when, having recovered their national strength, organization and spirit, they will attempt to regain the position they held at the close of the Balkan war with Turkey. The sores of to-day will not heal until seared by triumphant baptism of fire, but it will be some time yet before the stage is again set for "serious trouble in the Balkans."

In the meantime there exist great oppor-

tunities for the practice of the arts of peace, and the United States lags behind in the struggle for the advantages which will accrue to those who assist in the reconstruction work already begun. America is strong with the Balkan people; thousands of Greeks, Servians, Bulgarians, Montenegrins and others have been to the United States and profited by the going. They have returned to their native land imbued with American ideas, and their pockets heavy with American money. English spoken with an American accent is heard in many out-of-the-way places, and under the most unexpected circumstances. American charity and sympathy, of a most practical kind, have strengthened the liking of these peoples for a far-away land, the Government of which has shown no desire to reap advantage from Balkan troubles, and which as a nation has evinced no greediness for Balkan territory.

Surrounded by nations, each and every one concerned with territorial gain, and spheres of influence, the Balkan peoples can logically look to the United States for disinterested friendship. The American people cannot afford, for political reasons or those of good faith, to advance the cause of any one of these countries as against the other. They cannot afford to play into the hands of any one of the great Powers by taking sides here or there. They can, however, by intelligent understand-

ing of conditions, give international publicity to the rights and wrongs of every question which may arise; they can tender their disinterested services in all controversies, and they can by proper diplomatic and consular representation impress the importance and interest of America upon the Balkan mind.

It was not so long ago that the American Minister to Greece was also minister to Bulgaria, Servia, Roumania and other States. At the present time there is an American Minister to Greece who is also Minister to Montenegro, and an American Minister to Roumania who is also Minister to Bulgaria and Servia. The sole resident diplomatic representative of the United States in Servia, a country of over three million population, is a consul at Belgrade. In Bulgaria, with a population of over five millions, the United States has no resident diplomatic representative, not even at Sofia, the capital city. It is also true that these figures of population must now be largely increased, owing to the new boundaries resulting from the successful territorial war against Turkey. This war really originated in the brain of E. Venizelos, the Greek Premier, who had a vision of a great Balkan Federation which in time was to become one of the Continental Powers. The war against Turkey, which was to lay the foundations of these federations, came true, but

the great political and economic Power that was to spring into life from the battle-fields on which joint victories were won by the Balkan States, failed to materialize, owing to the jealousies of the different peoples, and the criminally bad statesmanship of their leaders. It was a great conception, one which appeals to every traveller over that vast and fertile section of the world, nearly equal in size to France, and inhabited, as it is, by approximately sixteen millions of sturdy and industrious people.

If the dream of Venizelos had come true, there would have been no hesitancy in providing strong and sufficient diplomatic representation at the Balkan capital, on the part of every other country, including the United States. There would have been no more reason, however, for such increased representation, than at the present time; in fact, not so much, for with existing jealousies and racial differences, there is all the more reason and necessity for America to be adequately represented in each and every political division.

During the past few months the American Legation at Madrid was raised to the rank of an Embassy, for no cause other than that the man who wanted to go there had sufficient political influence to demand an appointment as Ambassador rather than as Minister. His final destination was changed, however, before

his name was sent to the Senate for confirmation, and he went finally to a post already of the first rank. In the meantime the Spanish Government had been notified that the American Legation at Madrid was to be changed to an Embassy, and so it had to stand, regardless of the fact that it was unnecessary, and also that such a move could do the United States no good in South America. It would have been a far wiser move, if economy is the real reason for the scarcity of American diplomatic representation in the Balkan States, to have created Legations in Bulgaria and Servia, where they are needed, and to allow the really unimportant post at Madrid to remain as a Legation.

There is also pressing need of more United States Consuls in the Balkan territory, and American interests will suffer greatly unless this need is promptly supplied. It is to be hoped that the American diplomat who, at the request of President Wilson, made a tour of the Balkan States last summer, to report upon conditions, sensed the situation, notwithstanding his previous unfamiliarity with the countries and peoples in question. The opinion of those who have, in the interests of American diplomacy, spent weary days in constant travel from one Balkan country to another, performing a series of impersonations in the effort to satisfy inter-state jealousies,

might be even more useful in Washington at this time.

The present position of the American Minister to the Balkan States is suggestive of that of a European ruler who, in journeying over his domain, changes his uniform before each train-stop, in deference to local pride and patriotism. It might seem that a single Legation would suffice for Bulgaria and Servia jointly, but this is not so, for while these people are of one race, there is not a great deal of sympathy between them, and at the present time a deadly enmity exists, owing to the recent disagreement, and the defeat of Bulgaria by Servia. One Minister for two neighbouring countries is seldom a success, as has often been recognized by American diplomats in South America, and as was recently brought home to the Russian Minister to Bulgaria, who is also Minister to Servia. His position during the trying months of last summer was far from enviable, and his Government discovered that it was not always safe to count upon racial likeness or proximity in determining the sphere of influence to be attached to a single diplomatic post. That the vast extent of these countries is hardly realized by the people of America was curiously illustrated in June of 1913, when an international gathering of suffragists was held in Budapest, Hungary. Shortly before the date set

for the gathering, the American authorities at Bucharest, Roumania, over four hundred miles distant from Budapest, received instructions to engage rooms for the American delegates to the Budapest gathering, it being especially requested that the rooms secured be within convenient distance from the hall in Budapest in which the daily meetings were to be held.

There are thousands of native born and naturalized citizens of the United States scattered throughout the length and breadth of the Balkan country. Many of these responded to the call to arms when the land of their fathers went to war against Turkey, and thousands more returned in the years preceding, bringing their earnings from America to use in establishing themselves on the land or in the towns. The development of the rich farming lands of Macedonia is due in no small part to this influence from America, and in this fact lies great hope for the future, both as to sentiment and material gain, in the future relations of the American people at home with the people of these Balkan States. The burden of proof, however, so far as the Balkan peoples are concerned, lies with Washington, for unless the American Government itself shows intelligent appreciation of present needs and future possibilities, enthusiasm will die out and indifference prevail.

In the meantime, the foreign traders of Austria, Russia, England, Germany, France and Italy are at work upon the Balkan reconstruction problem. All of these countries are adequately represented by Ministers and Consuls, each and every one strengthening the hands of their fellow-countrymen in playing the game. Money is to be loaned, harbour works are to be constructed, railroad extensions projected, and the many needs of the people to be supplied. Armies are to be drilled and equipped, navies to be built and maintained, and, in course of time, treaties to be made, in which those countries best represented and most influential will secure special privileges for their citizens. It is not difficult to understand European jealousies, for Europe is just now assiduously courting Balkan favours. America constitutes a powerful neutral interest which might profit amazingly by this very neutrality, and at the same time give adequately in return, through a friendship which the Balkan people are quite ready to accept at full value, as a refuge from the plots and counterplots of her near-by neighbours.

CHAPTER XII

MEXICO AND THE UNITED STATES

ARMED intervention in Mexico by the United States means war. Not war upon Huerta, Carranza, Villa, or any other or all of the present leaders of political factions or armed forces, but upon the Mexican people, with whom there is no quarrel. At the present moment national sentiment is apparently dormant among these people. The one thing which would bring out this sentiment, expand and crystallize it and make it effective, in uniting all Mexicans in a common cause, would be the appearance of an armed invader. No written declaration or power of tongue would convince them that their country was not in danger of capture by foreigners, and for the purpose of alien aggrandizement rather than for pacification and ultimate return of the Government into their own hands.

Military experts have estimated it would take between 250,000 and 500,000 soldiers to effectively occupy the country to the end that life and property would be safe everywhere, and that this occupation could not be accomplished under a considerable period of

time, during which many severe battles would be fought, to be followed by almost interminable guerrilla warfare. In the meantime the life of no foreigner would be safe, and the destruction of native as well as foreign-owned property would be complete.

The material damage to the United States resulting from the conduct of such an invasion would be the loss of thousands of lives, and the enormous cost of the military operations. The material damage to Mexico would be greater by a thousandfold, and the development work of the last fifty years would be practically destroyed, or so crippled that it would be many years before Mexico again reached her present point of advance. A naval blockade of the Mexican ports would be a farce. A dozen war vessels could accomplish the task without difficulty, and the blockade could be maintained until the ships engaged became obsolete, and still it would have little or no effect upon the interior so far as bringing peace and safety to the people was concerned; in fact, it would probably bring even greater disorder and lawlessness than now exists. Political damage resulting to the United States and to the Latin-American countries from armed intervention would be serious. Pan-Americanism would be shaken to its foundations. The United States is still under suspicion as to motives for the interest taken in

Central and South American affairs, and it is only after many years of arduous work the Latin-American peoples are beginning to believe the truth, that the United States has no designs upon their territory or their freedom.

The American nation has no just cause for war upon the Mexican people, and that is what armed intervention means, and, no matter how beneficent its purpose, what it would lead to in the end. To undertake the pacification of Mexico by force, also implies an expansion and elaboration of the Monroe Doctrine, to a point where the American nation would assume the international responsibility of maintaining a police force large enough and strong enough to take possession of any disturbed Central or South American country on short notice, and remain until the people of that country were capable of intelligent and peaceful self-government.

It is this larger view of the possible effects of armed intervention in Mexico which is within the vision of President Wilson, and which enables him to resist public clamour at home and abroad, to the effect that the United States should immediately undertake the armed subjection of its neighbour, a free and independent nation, with an area larger than that of France and Germany combined, and a population of fourteen millions whose foreign trade alone reaches an annual total of

£50,000,000 sterling. As President Wilson recently said, a country of the size and power of the United States can afford to wait as long as it pleases for events to adjust themselves; that no one doubted the power, if it was decided to use it; but that in the end a settlement would come from within rather than without, one which would be more permanent and much better for the peace and prosperity of the Mexican people than one brought about by alien force. He also suggested that Americans who were clamouring for action were forgetting they would have to do this thing themselves, if it was done, and that they would have to contribute the lives of their fathers, husbands and brothers to a cause which was not one of defence of their own, but an interference in the quarrels of others.

European lives and property have been sacrificed to Mexican disorder, but where one European has been killed, a score of American citizens have met a like fate, and the vast bulk of foreign investment in Mexico is now American-owned. It is also true that the foreign trade of Mexico is largely with the United States, and this has, of course, declined to the minimum in the conditions as they are. No European nation has an interest in Mexico approaching in size or importance the interest of the American people, and if the latter deem

it best to wait upon events notwithstanding the daily toll taken of American lives and property, there are good reasons for this waiting, and Europe may fain be content.

This does not mean that the American people are complacently awaiting successful issue of the present policy of the American Government. There is a large faction of impatient spirits who would plunge their country into all the consequences of intervention without a moment's hesitation. The Governor of Texas, with his cowboy rangers, sees no difficulties in the way, because he can engineer a successful raid across the border, and with a handful of men recover the body of a murdered American. Irresponsible newspapers are lashing the Administration at Washington, but no one has ever accused their owners of being statesmen or patriots. The sturdy Westerners, accustomed as they are to dealing with the emergencies of life in the valley of the Rio Grande, do not look beyond things as they are there, and along that border strip of country there is a life into which no questions of high policy enter.

It has always been a problem for the Government at the City of Mexico to handle the border states, and the aid of Americans to the north, in suppressing disorder and crime, has always been welcome. The extradition law is

rarely evoked in that section, for a quick run across the line is far more effective, and saves a lot of expense and red tape. In Tamaulipas, the north-eastern state of Mexico, has been born nearly every revolution which has harried the nation in the past, but these northern bandits have seldom ridden far from home. Nature has placed a great barrier of arid plains, and beyond them mountain ranges, piled one upon the other, across the path to the south. Northern Mexico could be captured, and still the life of a larger part of the nation go on undisturbed in Central and Southern Mexico.

The real Mexico lies there, and it is there that President Huerta is entrenched with the nearest thing to an organized Government which now exists in the country.

There are many people who believe that the United States should have recognized Huerta, and that if this had been done some time ago, all trouble would now be at an end. The British Government has been credited with this belief, but whether the Foreign Office thought that way at one time or not, there is little doubt that President Wilson now has the support of the British Government in the position he has taken. The day after he saw the President in Washington, and on the day he left New York for England, Sir Lionel Carden, British Minister to Mexico, stated most

emphatically that he now approved of the American policy of non-intervention. "Conditions in Mexico," he said, "are in a confused state. The real cause of all the trouble is due to the easy manner in which bands of brigands are organized, and the facility with which they are able to hide themselves in mountain fastnesses. These brigands are able to murder and plunder, because it is almost impossible to pursue and capture them. Brigandage has become an occupation with many of the countrymen, in all the more scarcely settled districts of Mexico. Murders are so common now that the Mexican newspapers scarcely give them any space." From further remarks made by this British representative, it may be gathered more or less definitely what President Wilson is at least hoping for, as an outcome of his restraint in the handling of Mexican affairs, for Sir Lionel added that he sincerely believed Huerta would vacate his office as soon as he was able to restore the country to some semblance of order. He also confirmed the belief of those who are familiar with conditions in Mexico, and who know the Mexican people, when he ventured the prophecy that armed intervention would probably unite all warring factions against what the Mexican people would look upon as a common enemy.

Armed intervention by a single nation means war, and it remains to be seen whether order can be restored by the peaceful intervention of a single nation. Armed intervention by a force of allies presents certain difficulties to be followed possibly by serious complications. Political intervention by an allied diplomatic corps may be the way in which the problem is solved in the end. If the United States, when the right moment arrives, should present an ultimatum to the factional leaders of Mexico's armed and political forces, and the representatives of all other Powers interested signified their approval of, and their intention to support, the position of the United States, there seems reason to believe that the outcome might be successful. This would rest largely with England, for Germany has from the beginning expressed and shown her willingness to leave the matter entirely in the hands of the American Government. Whatever mischief may have been caused at the beginning by the doubt which existed as to England's position, would probably be neutralized by the unqualified support the English Government now seems willing to give the American Government in its efforts to bring about an effective settlement of Mexican troubles.

It must always be borne in mind, however, that the troubles in Mexico are inherent, and

diplomacy may be ever so willing and so powerful, and yet fail to bring complete relief to a country large areas of which are given over to native rule or brigandage, and with a population hardly open to the reasoning processes which control more civilized communities. Of the fourteen million people in Mexico at least twelve millions are Indians of the Aztec type. Even in the time of President Diaz a large section of the population in the south believed itself subject to the rule of a native "King," and knew nothing of the national Government so long established in the city of Mexico. When land surveyors were sent into this section of the country they were promptly murdered. Troops were sent to avenge their death and discovered this "kingdom," where the authority of the Federal Government was unknown. The result was that while relations were established with this heretofore unknown territory, matters were left practically as they were, to avoid serious native uprisings and warfare. The "King" came to the City of Mexico, and returned to his people well content that he was to be left even in nominal authority.

In north-western Mexico there is one section of the country from which few white explorers have ever returned. The people settled there are cannibals. Near by to this section are the

Yaqui Indians, who have been so maltreated by local Mexican officials and soldiers that there is a deadly enmity between them. They are a fine race of workers and fighters, now threatened with annihilation through the very energy they have shown in defending what they believe to be their rights. Throughout the great area of the country through which the sixteen thousand miles of railroads are now built, and where industrial and agricultural development is at its best, there are vast numbers of ignorant labourers living from hand to mouth, and practically slaves to their employers through a system of peonage. When the farce of a general election is played, the owners of big ranches where hundreds of men are employed notify this or that favourite candidate that these men have voted for him, and the vote is counted, although the "voters" may never have known that an election had come and gone. The writer once suggested to General Porfirio Diaz, then President, that the Constitution of Mexico was modelled after that of the United States. The President smiled and said, "Yes, but it is more ornamental than useful." Then his face grew grave, and he said most earnestly, "What my people want is a strong personal Government, and that is what I am giving them."

Mexico never has been a republic except in

name. The rule of Diaz was that of a dictator. The only other form of government possible for the country is that of an autocracy, a group of men either dominated by one strong mind and will, or a partnership of several men of such character. The ruler or the rulers of Mexico have held their power through control of an army in which are regiments of convicts, men sentenced to so many years of army service in lieu of going to prison for crimes committed, and a highly efficient and unscrupulous secret police, and this will be the only practical and successful method for many years yet to come. The hope of bringing about a fair and representative general election in Mexico is an iridescent dream. The only possible way in which to maintain the fiction of a republican form of government is to bring about a combination of groups of strong men in each province, who will work to the end of a successful Federal organization. This was done by Porfirio Diaz, and it can be done again.

There is little real patriotism among the Mexican leaders. They are generally soldiers of fortune, seeking material gain or power. To succeed in their ambitions they hesitate at no crime, and to retain it, once acquired, they will sacrifice anything or anybody. Murder, either official or "accidental," is an ordinary

and usual path to political preference or retention of office. Porfirio Diaz started his campaign for the Presidency as a minor revolutionist with a handful of followers. There is nothing in his history at that time to single him out as having been different from any of the men now striving for control. His was a case of successful brigandage. There are two oil portraits of this man in the City of Mexico, and to see them side by side is a study in evolution. The one a young, swaggering soldier, no different in appearance from hundreds of Mexican army officers of to-day. The other a dignified and matured statesman as well as soldier of the kind who can dispense "a strong personal government." The history of modern Mexico from the building of the first railroad to the time when the figures of foreign investment reach into many millions is written between these two portraits.

There has been no change in Mexico, even in recent years, which would warrant any change in the actual form of government, if it is to be successful. In other words, another Diaz must come forward from among the host of Federals or Constitutionlists and prove his right to the title. If such a man appears, it will be profitless to scan his past history for evidence as to his moral character or the means by which he climbed the ladder. The fact that

he is the born leader who can bring peace to a distressed people in a ravaged country will be all the credentials he needs. Continued peace is what Mexico must have for her people ever to achieve the ideals set forth in her constitutional law. Progress has been made, but the road is yet long. A ruler or set of rulers who were so far in advance of the governed that there was no understanding or sympathy between them would not long prevail. A successful ruler of Mexico needs not only to be a Mexican, but to share in a large measure in the characteristics of his own people. It has been said that a nation gets the kind of government it deserves, and if this be true, Mexico will not achieve a government such as an Anglo-Saxon community might find ideal, but it can get one which is effective.

With every passing generation the Mexican people are progressing towards possible intelligent self-government. Progress in this direction has had many set-backs, but at no time has the slip entailed complete loss of all that had been gained. The present situation is deplorable, but the power of recuperation is amazing. Scatter the bands of alleged soldiers now in possession of important areas, and put the fear of authority into the hearts of a lawless element, and it would be but a few months before all the signs of the present trouble would

have disappeared, and the vendor of concessions and "old Aztec mines" would return in the usual numbers to the haunts of the tourist, in search of gullible American or English visitors. The arts of peace in Mexico have oftentimes proved more disastrous than the arts of war, but out of it all has come great and genuine gain for foreign capital as well as for the native.

Any consideration of the Mexican situation and the relations of foreign Governments thereto, including that of the United States, must, to be intelligent and fair, be based upon a correct appreciation of conditions within that country. It is not a case of a strong centralized Government misbehaving itself through either sins of omission or commission. Mexico must be looked at as a great area of diversified country inhabited by fourteen million people who are absolutely without effective and disinterested political leadership or form of national Government. It is at present a vast, confused sea of humanity, agitated and bewildered by the success or failure of one or another band of "patriots" or ravaged by brigands in the guise of revolutionists.

To invade Mexico with an armed force for the purpose of bringing about safety for life and property does not mean merely inflicting

punishment upon an opposing force. It means taking charge of the whole show, and running it in detail until it is safe to leave it in native hands once more. Such a task as this is possible in a place like Cuba, for instance, though even that was no holiday affair, and on that island the population was as a whole friendly and tractable. Occupation of the City of Mexico, or even all of the larger cities, would not necessarily mean control of the whole country, unless the invader acted in conjunction with a large native faction or force friendly to the idea. Such an invasion would be resisted by those who now have armies at their command, and the defeat of one would not mean the defeat of all, and even if it did, new patriots would arise, each with a following quickly enrolled, for no country on earth can produce a revolutionary leader, with a band of fighters at his back, quicker than this Central American state. Revolution is a trade in that part of the world, and there are thousands of men who follow and batten upon it.

To invade Mexico would mean to make war upon the Mexican people, a majority of whom are innocent of offence, and, as things are now, have no grievance against the foreigner. That they would have, should foreigners attempt to control their country, is inevitable, and it

is to avoid not only the bill of costs for the American people, but arousing the Mexicans to undying hatred and prolonged resistance, that President Wilson is pursuing his policy of watching and waiting.

The sacrifice of lives and property in the meantime is most deplorable, and it is not unnatural that impatience should be felt universally at the prolongation of a situation fast becoming intolerable. The larger view must be taken of the whole matter, however, not only for the sake of foreign interests, but for the sake of the Mexicans themselves. It is this larger view which has been adopted by President Wilson, and to which the Government of Germany has subscribed from the beginning, and to which the British Government has been converted. The thoughtful and dispassionate statement made by Sir Edward Grey at a time when the English people were most naturally in a state of indignation over the murder of a fellow-countryman, was most helpful to the Mexican people and those concerned as to their state, for it was along the only road which leads to a peaceful and eventually satisfactory settlement of the trouble, if such a settlement is to be achieved at all. The man most concerned is the President of the United States, and others can afford to give him the free hand he desires

to work out a solution of a most difficult and trying problem. There is every reason why he should want to prove he is right, and there are many who have faith that he will do so in the end.

CHAPTER XIII

THE MONROE DOCTRINE

THE foreign policy of the United States is one of negation; therefore differing in principle and in performance from that of any other of the great Powers. There is only one possible exception to this general rule of conduct in foreign affairs, and that is the so-called Monroe Doctrine, and inasmuch as that doctrine applies only to the North and South American continents, and is more or less negatory in character, it is really not as exceptional to the general rule as might seem at first thought. This guiding principle in the foreign relations of the American nation was partly foreshadowed in George Washington's farewell address on his retirement from the Presidency, delivered September 17, 1796; it was fully enunciated by President Monroe in a message to Congress delivered December 2, 1823; still further explained and emphasized by President Cleveland on July 20, 1895; by President Roosevelt in 1902; by a resolution adopted by the American Senate August 9, 1912, and President Wilson has within the past year taken occasion several times to emphasize his

own belief in the wisdom and justice of this doctrine as applied to American foreign affairs.

It would be difficult to cite a similar instance where a country has for 118 years acted more consistently along a declared line of policy in foreign affairs. Over 100 years ago Washington said—

“The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible. . . . Europe has a set of primary interests which to us have none or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns, hence therefore it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her policies or the ordinary combinations and collisions of her friendships or enmities. Our detached and distant situation invites and enables us to pursue a different course.”

Twenty-seven years later, in a message to Congress, President Monroe laid down that principle of foreign policy for the United States Government which has since been known as the Monroe Doctrine, and which, with certain modifications and expansions made necessary through great events or changing conditions, has since been lived up to by the American nation. He said—

“ The occasion has been deemed proper for asserting as a principle in which rights and interests of the United States are involved, that the American Continents, by the free and independent conditions which they have assumed and maintain, are henceforth not to be considered as subjects for future colonization by any European power. . . . We owe it, therefore, to candour and to the amicable relations existing between the United States and those powers, to declare that we shall consider any attempt on their part to extend their system to any portion of this hemisphere, as dangerous to our peace and safety. With the existing colonies or dependencies of any European power we have not interfered and shall not interfere. But with the governments who have declared their independence and maintain it, and whose independence we have, on great consideration and on just principles, acknowledged, we could not view any interposition for the purpose of oppressing them or controlling in any other manner their destiny, by any European power in any other light than as the manifestation of an unfriendly disposition toward the United States.”

During the Venezuelan boundary dispute Secretary of State Olney, speaking for President Cleveland, said in a dispatch dated July 20, 1895 : “ It (the Monroe Doctrine) does not

establish any general protectorate by the United States over other American states. It does not relieve any American state from its obligations as fixed by international law, nor prevent any European Power directly interested from enforcing such obligations, or from inflicting merited punishment for the breach of them."

President Roosevelt in 1902, in the course of a speech dealing with the effects of the Spanish-American War of 1898, said: "The Monroe Doctrine is simply a statement of our very firm belief that the nations now existing on this continent must be left to work out their own destinies among themselves, and that this continent is no longer to be regarded as the colonizing-ground of any European Power. 'The one Power on the continent that can make the Power effective is, of course, ourselves; for in the world as it is, a nation which advances a given doctrine likely to interfere in any way with other nations must possess the power to back it up, if it wishes the doctrine to be respected.'"

In 1912, when it had been suggested that Japan was seeking to acquire control of a naval base within striking distance of the Panama Canal, through the proposed operations of an allegedly private company in Magdalena Bay, on the coast of Mexico, the United States

Senate adopted the following resolution by a vote of fifty-four to four—

Resolved: That when any harbour or other place in the American continent is so situated that the occupation thereof for naval or military purposes might threaten the communications or the safety of the United States, the Government of the United States could not see, without grave concern, the possession of such harbour or other place by any corporation or association which has such a relation to another Government not American as to give that Government practical power of control for national purposes.

This action of the Senate grew out of the report that a stretch of territory bordering on Magdalena Bay, Mexico, might be acquired by the subjects of a foreign country, and thus through their control by their own national Government become the base of permanent naval or military occupation. In explanation of the resolution, Senator Lodge said: "The declaration rests on a much broader and older ground than the Monroe Doctrine. This resolution rests on the generally accepted principle that every nation has a right to protect its own safety; and if it feels that the possession of any given harbour or place is

prejudicial to its safety, it is its duty and right to intervene.”⁷ It was added in the Senate in further explanation that the opening of the Panama Canal gave to Magdalena Bay an importance that it had never before possessed, as the Panama routes would pass in front of it.

These are practically all the official utterances on record as to the Monroe Doctrine, and in the scarcity of material lies a reason for the wide differences in interpretation which have been given to the principle or its application, not only in foreign countries but even by Americans. In brief, however, the generally accepted meaning of the Monroe Doctrine among Americans is that the United States refrains from foreign alliances, thus including in this declaration of policy the warning uttered by President Washington and not by President Monroe; deems it best for the success of Republican forms of government and the safety of the country that no European or Eastern Power should increase its territorial holdings on the North or South American continent beyond existing boundaries, or in any way assume a permanent protectorate or control over a North or South American people now independent.

This doctrine of political isolation for the American continents has been at various times and in different ways accepted by England, Germany and France, and less directly but in

some way or other by Russia and other Powers. The Monroe Doctrine is in reality a large and logical idea working out to an entirely natural political condition. By process of war, treaty, purchase or exchange, the sovereignties of all the European countries excepting England have been entirely eliminated from the affairs of North and South America, or else have been reduced to the control of areas negligible in size or importance. England's control over Canada has gradually changed in character from that of a mother country, dominating and dictating the affairs of a dependent colony, to what in reality constitutes a close alliance between two peoples, for English control of Canadian affairs is now nominal, and largely a matter of form rather than fact, and even this only continues through the loyalty and desire of a majority of the Canadian people.

Since the time of George Washington, the United States has lived up to the principle of no foreign alliances, and in all that time, more than a century, the United States has made no attempt to participate in the international affairs of European nations.

The war with Spain left the Philippines in the hands of the American nation, contrary to the wishes and hopes of a majority of the most thoughtful citizens, and they were no more than brought under the American flag

than plans were made to make this territorial extension in the Far East unnecessary as a permanent occupation. The Philippines, however, proved to be a "live wire"; once taken hold of, no way has yet been found to let go with fairness to those most concerned, that is, the people of the Philippines, and with honour to the American nation, the guardian selected by a chance event. Russia, Spain and France have withdrawn from America in the natural course, and such other nations as are still represented by territorial holdings in the Western Hemisphere are there because their influence is either a negligible factor or does not conflict in any way with the carrying out of the Pan-American idea.

In recent years there has been no attempt by any foreign Power to controvert the so-called Monroe Doctrine, unless it be that the proposed acquisition of land on Magdalena Bay, by a Japanese company, was inspired by the ambitions of the Japanese Government. In many quarters it is believed that America was needlessly alarmed over this move, and that Japanese national ambition had no part in this industrial enterprise. The suspicion that there might be something behind it, however, thoroughly aroused the American nation, and the Senate resolution defined most accurately the real state of public opinion. It served also as evidence that the Monroe

Doctrine was a live principle in American foreign policy and that a challenge was all that was necessary to secure its reiteration in unmistakable terms. When President Wilson said, as he did recently, that the United States would not consent to the exploitation of any free people of the Western Hemisphere, he did not mean exploitation in the narrow commercial sense of the word. He meant rather that under the guise of financial assistance or boughten concession, no foreign country could with the permission of the United States use that people's necessities or the venality of its Government for the purpose of securing undue control of its territory or its affairs.

There is far more English, German, and even French capital invested in South America than there is American, and yet this has never aroused the slightest antagonism in the United States, nor will it, for American money for foreign investment is scarce, and it is to the ultimate advantage of the United States that the resources of Central and South America be developed to the utmost and as rapidly as possible. It was no violation of the positive spirit of the Monroe Doctrine for the United States to join in the expedition of the allies in China during the Boxer troubles. No more would it be an infringement of the negative features of that policy for the United States to invite the co-operation of Europe in the

task of restoring order in Mexico. A temporary joint occupation of the territory of the Central American country would not mean territorial gain for any one of the invaders, nor the colonization of American territory by a European Power. There is nothing in the letter or the spirit of the Monroe Doctrine to prevent England from collecting indemnity from Mexico in time to come, for the damage done to British lives and property during the past two years. To accuse President Wilson of being inspired by fear of Japan in his attempt to secure the understanding and goodwill of Europe in his handling of the Mexican question, as had been done in the British Press, is to display utter ignorance of the status of affairs as concerns the relations of Japan and the United States, or to wilfully or ignorantly read into the foreign policy of the United States as expressed in the Monroe Doctrine ideas and principles which do not exist even in the minds of the most extreme American jingoes.

It may be assumed that England has no territorial ambitions in North, Central or South America. Not only does the British Empire already include all that might possibly be needed, but it may be conceded that territorial expansion in any direction is not within the present needs or plans of the British Government. There is a deep-rooted idea in Europe

that Germany is but waiting an opportunity to extend her colonial sphere into South America. This idea crops up continually in speech and in print, in England and France. There is no more reason to believe that Germany has designs on South America than that England is intending a move in that direction. In the case of Germany the reasoning is different but equally convincing, and the facts of the case are even more in evidence. Years ago the late Baron Speck von Sternberg, when German Ambassador to Washington, voiced the position of his Government in a positive statement to the effect that the Emperor and the German Government accepted the Monroe Doctrine as an established principle in international affairs. The present ambassador, Count Bernstorff, has since repeated this declaration in even clearer and more emphatic terms, so much so, in fact, that he was criticized in Germany by a section of the Press not in the confidence of the German Government. No European Government has given equally unequivocal support to this attitude of the United States towards the lands of the Western Hemisphere, and during the trouble with Mexico Germany has offered no criticism, made no independent move, and shown no inclination other than to support the American Government in whatever policy it might adopt towards

Mexican affairs, and this notwithstanding very large German interests, both humane and financial, within Mexican territory.

Those who believe that Germany has designs upon South America point to the German settlement in Southern Brazil as evidence of colonization with ulterior purpose. Those familiar with the conditions under which the 200,000 Germans more or less have gone to Brazil, and the conditions under which they live and do business, do not anticipate any move towards the raising of the German flag in that part of the world by reason of their presence. Half of these Germans and more have lost their German citizenship by failing to comply with the consular registration law, and no imperial spirit is in evidence in the community life of these settlers. They went there for occupation and trade, and the pioneers of the movement but blazed the way for others who sought like ends. The fact that Germany wants colonies and foreign trading opportunity is the only reason for suspecting her of designs upon South America, while there is every reason, political and practical, to presume her natural course one which will prove acceptable to the United States. That Germany has been guided by this principle in the past and up to the present moment in all large affairs between the two nations is at least good reason to anticipate no violent change in her foreign

policy in this respect. There are directions in which Germany can enlarge her colonial possessions through diplomacy and treaty-trading should it be desired, but South America is not included in this horoscope of German expansion.

At no time has the influence of the United States ever been exerted against foreign trade in Latin-America, excepting through the usual method of private competition, and it has long been a fact that the banking and credit business of Central and South America has been done by Europeans, almost to the exclusion of Americans.

The attitude of the Central and South American peoples towards the Monroe Doctrine has not been entirely friendly, in fact at times it has been actively antagonistic. This has been due to several causes, none of which reflects discredit upon the United States. In many of these Latin-American countries the Governments are in the hands of men who would sell their country outright for a sufficient bribe, and instances are on record where the consideration which would have been accepted was absurdly small. But that concessions involving the alienation of territory to Europeans were practically forbidden by the Monroe Doctrine, or, in other words, by the American nation in self-protection, there is no saying what might have happened to the southward of

the United States in the past seventy-five years. Excepting for the element of self-protection against European or Asiatic encroachment upon near-by territory, the motives of the United States in its attitude towards Latin-America are absolutely disinterested. No trade advantage can be acquired which is not shared equally with every favoured nation. South American politicians have exhausted their ingenuity in divining reasons for the friendliness of the United States and the almost paternal interest taken by the American people in South American affairs.

The truth of the matter is that the United States has never entered actively into the arena of foreign politics except for motives which might almost be termed altruistic, and this point of view is quite beyond the mental grasp of a South American politician, and, it may even be added, not a few politicians elsewhere. No commercial gain to the American people has accrued through American diplomacy for many years, and in practically every instance where the United States has been an active partisan to international settlements, American influence has been exerted on behalf of some other people and to their benefit. Excepting in the case of Cuba, which is in reality an undefined American protectorate and for the pacification of which the American people paid an enormous bill of costs, American

diplomacy, finance or commerce have no privileges or rights which are not shared by every other nation. In fact, nearly every European country has secured important material concessions here and there in which America does not share.

It should not be difficult for any European, alive to the history of his own country, to understand the fundamentals of the Monroe Doctrine. Under other names it has its place in the foreign policy of every other nation. England has held to it as the foundation of her empire-building since the beginning, and long before Monroe saw fit to give it expression as applied to the needs and purposes of the United States. It is nothing more nor less than a sphere of political influence maintained in most cases to prevent friction rather than to increase it. The protection of British possessions in Asia, Africa, India and even nearer home, demands freedom from encroachment or significant changes in ownership of near-by property. Not to put the matter upon entirely selfish grounds, there is also the element of concern for weaker peoples, who might, without some moral assistance from a powerful friend, find themselves at the mercy of any ambitious territory-hunter who came their way.

To disarm unjust suspicion and to enable the Central and South American republics to take

full advantage of the sphere of American interest and protection, and to bring those nations together upon a friendly basis, has been the purpose of the Pan-American movement, which has travelled far in the past twenty-five years. To encourage the building of railroads (generally with European capital), inland and foreign commerce, ensure stability and safety for foreign investment, and to further the exchange of ideas to the end that peace and progress might be general, has been the purpose of the movement. There is no threat to Europe in such a policy, in fact, quite the contrary, for Europe has always gained in greater proportion in the commerce of any country newly opened to traffic, than has the United States. There is no political or armed danger for Europe in the Monroe Doctrine, for no nations are being built up within its sphere which offer promise of future rivalry with European power, or in any other direction for that matter. In fact, progress in the development of Central and South America is all to the advantage of Europe, not only commercially but in the matter of increasing the supply of foodstuffs and raw material for large importing and manufacturing nations.

It is a common saying that the United States has no continuous foreign policy. This is true, excepting for the Monroe Doctrine, now an unwritten but generally accepted principle

in international affairs. The reason why the United States can have no continuous foreign policy is that the American form of government, as well as political custom and precedent, have decreed that with a change of administration, which takes place arbitrarily every four years, an incoming political power shall not necessarily be bound by any action of its predecessor, excepting as such action may have found expression in a treaty to the terms of which the nation as a whole is bound during the life of the convention. The American system does not even provide for permanent secretaries who shall continue in executive position regardless of changes in the Cabinet. In fact, the only man who is practically immune from the vicissitudes of political fortune is the civil service clerk, upon whom no real responsibility falls other than for efficiency in his daily and minor task.

The result of this system is that with every incoming administration, time alone reveals its attitude towards foreign affairs. President Taft supported American participation in the Chinese loan; President Wilson withdrew that support. During the period of negotiation preceding this loan, changes were made in the cabinets of several participating European Governments, but there was no intimation that as a result the attitude of those Governments would change in the slightest degree towards the

Chinese situation. It has always been this way with the Foreign Affairs Department of the American Government, and always will be so long as the present system continues. It has been suggested many times in Congress, and recommended by Cabinet officials, that permanent secretaries should be provided for all Government departments, but the matter has never progressed beyond the stage of suggestion.

There are certain well-defined principles, however, which have governed the United States in its foreign policy. These are laid down in the Declaration of Independence, the Constitution of the United States, Washington's farewell address, and in the Monroe Doctrine, and these have been elaborated and interpreted by statesmen in power from time to time, until a code of action has been built up upon which it is more or less safe to predicate the part which will be played by the United States in any great international crisis. Out of all this, however, the Monroe Doctrine stands clearly and beyond cavil as the one definite pronouncement which has stood the test of nearly 100 years, and which has been accepted not only by the American people, but by the whole world, as a position to be counted upon in the consideration of all things American.

The strength and permanence of the position lies in its obvious necessity and the logic of its

existence. The idea is not new. It was an Old World idea applied to New World territory, and it makes for the peace of the world, for it does away with a possible extension of European jealousies to fields wider than those now involved and to that extent limits a further increase in armaments.

The fact that this policy has endured from the beginning and has received the endorsement and support of every political party in America since parties were known, notwithstanding the structural instability of American foreign policy, is compelling evidence of its importance to the American people and its enduring vitality. It is not in the vagaries of occasional political utterance, in America or in Europe, that the true meaning of the Monroe Doctrine should be sought; it is only necessary to grasp the principle itself and scan the history of episodes in which it has been invoked, to realize that there is no selfishness and no international discrimination or injustice involved. It falls into line with the best of that international law and procedure upon which rest the equities of each and every European people in the affairs of the world as a whole.

CHAPTER XIV

AMERICAN FOREIGN RELATIONS

ACTING upon the advice of her Elder Statesmen, both dead and alive, the American nation has consistently refrained from foreign alliances since the beginning of the Government, nearly 140 years ago. Treaties of all kinds have been made, denounced, renewed or made again in new form, with the exception of that kind so usual throughout the rest of the world, those which carry with them the privilege of offensive or defensive alliance. Within the history of America wars have been waged, defensive or offensive, with England, Mexico and Spain, and within the country itself has been fought the most stupendous civil war in history. Not one of these wars, however, resulted in the change of a hair's-breadth in the attitude of the American people towards foreign nations so far as retaining complete independence and freedom of individual action in all international affairs of any magnitude. America is the only modern nation, and possibly the only one which has ever declared such a policy and lived up to it so consistently for the span of a century.

Two factors have contributed to the success of such a policy. One of them is the geographical isolation of the United States; the other the adoption of the so-called Monroe Doctrine, or, in other words, the exclusion of European or Asiatic power from the North and South American continents, excepting so far as such power or sphere of influence was established prior to 1823. By force in the case of Spain, and by treaty in the cases of France and Russia, the hold of these three countries over any portion of the Western Hemisphere has been done away with or reduced to negligible area. England is the only country which has retained to the full her possessions in the Americas, but through the building-up of self-governing colonies and a wise restraint in the administration of imperial power, any conflict with American authority real or assumed, has been avoided.

Such a condition of geographical and political isolation has not only aided the United States in the purpose of her people to keep clear of all foreign alliances, but has simplified the conduct of American foreign policy to an amazing degree. International jealousies and suspicions, which play such important part in the diplomacy of Europe and Asia, have no place in the attitude of America towards other countries, unless it may be that a suspected intention to infringe upon the principle of

the Monroe Doctrine has very infrequently caused some question as to foreign motives or actions. With the ending of each of the three foreign wars which have been carried on by the United States has come immediately a complete settlement of all questions in dispute, and an *entente* which has brought erstwhile enemies even closer together than they were in days preceding hostilities. The American nation has no international feuds or vendettas which are carried on through succeeding generations. No marked race hatreds have existed among the American people, for even the hostility shown in recent years towards Asiatic immigration arises from the instinct of self-preservation rather than from any particular aversion towards the people of Asia. The sympathy and practical help of the American people have been given to the Japanese in all times when those people were in trouble, and no nation has played a more disinterested or helpful part in the affairs of the Chinese at home.

The attitude of America towards England and the English has been fully dealt with in a previous chapter on American Public Sentiment. The present relations between the two Governments are as amicable and understanding as such international relations can be where interests are liable to conflict. So long as the English flag floats over any portion of

the Americas, or English rights exist by treaty in territory peculiarly subject to American influence, so long will occasional controversy arise. There is no reason to believe, however, that such controversy can ever reach a point where armed conflict seems even possible. The fact that Great Britain is still considerably concerned as to American affairs both territorially and in matters of foreign policy gives to that country a peculiar interest in the possible definition and exercise of the Monroe Doctrine, and it is not at all impossible that serious differences of opinion might arise at any time to vex the friendly spirit of the two nations. The still unsettled question of Mexico touches close upon this point, and while serious enough in all the possibilities presented before a final settlement is achieved, is fairly good evidence that it would be no slight affair which caused any real friction between the two Governments.

The question of Panama Canal tolls is in a fair way to be settled amicably through the dispassionate efforts of both Governments to secure observance of treaty agreements, although there is legitimate doubt as to whether the United States is not meeting Great Britain more than half-way in repealing existing laws in an effort to meet British interpretation of a treaty, the wording of which unfortunately allows of varied readings. The repeal of these

laws will naturally be followed in course of time by the making of a new treaty in which Canada will not be given the same opportunity of forcing the hand of the British Government to such dangerous points of controversy with the United States. The repeal of a law by the people of one of the great Powers on the plea of the Executive that right or wrong it should be done because it was believed by a foreign Power to violate a treaty agreement, is a unique episode in important international relations.

It is unfortunate that an American ambassador, even upon a more or less social occasion, should assure the English people that the Panama Canal will be of more benefit to England than to America, for such a statement must necessarily have a tendency to harden British opinion in favour of retaining all rights or privileges possible in the operation of the canal. Such a statement is all the more unfortunate in that it is not true excepting in the narrow sense that it is probable that, for a time at least, it will be used by a greater deep-sea tonnage flying the English flag, than any other. The primary importance of the Panama Canal is to America. By its construction the efficiency of the American navy is nearly doubled. Through its operations the development of the Pacific Coast will attain a measure impossible without it. Traffic charges by rail

between the Atlantic and the Pacific seaboards will be automatically regulated and reduced. The development of the southern ports of the United States will be marked owing to this new direct shipping route for cotton to the Orient, thus in time largely doing away with the European middleman. Quick communication between the Atlantic seaboard and the western coast of South America will follow the opening of the canal, and the cause of Pan-Americanism will be greatly strengthened. These are but a few of the advantages, material and political, which will come to the United States, and they far outweigh the mere collection of tolls on ships sailing under this or that flag, or increase of foreign commerce which may come to any foreign country through using the great "short cut." Anglo-American friendship is not advanced by sowing erroneous ideas among the people of either country. The Panama Canal was built for the benefit of America, and it will serve its purpose well. Others will share in the benefit, and none more than England in the matter of its actual use for sea-going vessels, but even this will redound to the benefit of America, for the tolls paid by British ships will assist in maintaining the canal, and the competition of British ships, one with the other, and with those flying other flags, will mean cheaper transportation for American imports and exports. Anglo-American rela-

tions are now at their best, and will remain so if the two peoples, through their representatives, will always be entirely frank with each other. It is the Anglo-Saxon nature to suspect flattery, and to question the real motives of the man who utters it. It is only since England and America have walked flat-footed one with the other that the foundations have been laid for a great and permanent understanding and friendship between them.

Relations between Germany and the United States are excellent and always have been. America has been the objective point of millions of German emigrants for the past fifty years. No questions of diplomacy have arisen to cast a shadow upon the intentions of either Government towards the other. The questions of commercial relations between the two countries will always be delicate, as they are both high tariff countries, and differences must be adjusted by agreement. America is necessary to Germany as a source of supply for a large percentage of her imports, and Germany is necessary to America not only as a market but as a source of supply for many products peculiarly German, and as a check upon high prices for goods manufactured and sold in America. With large financial interests in Central and South America the German Government has never questioned American treatment of problems which have arisen in

connection with Spanish-American territory, and has lent the weight of its diplomatic support to Washington when controversies have arisen. The battles which have been fought by special commissioners over commercial treaties have never affected the diplomatic position. These battles are certain to occur at intervals as new treaties are to be made, and they will become more strenuous on each succeeding occasion, for the tariffs of the two countries are fast approaching a common level, and the competitive power of the two peoples is growing apace. The struggle for commercial advantage will increase in intensity with each passing year, but the interests of the two countries point to fair compromise, and with the situation as it is between the two peoples and their Governments there is no reason to question the outcome.

Political and social relations between France and the United States are all that could be desired, but there will always be more or less friction concerning commercial relations. France produces the luxuries upon which America places her highest import duties, and to arrive at a mutually satisfactory compromise is probably impossible. That this international difficulty will have even less effect politically or socially than in the case of Germany is obvious, for France is the foreign playground of America, and the thousands of Americans

who live there, and the many thousands more who annually visit that fair land of pilgrimage, form a bridge of human understanding which cannot be destroyed. Franco-American friendship stands out in history as one of the great and enduring *ententes* which was built upon human intercourse and needs no treaty or alliance to continue its vitality.

American relations with Russia were of the best for over 100 years, but in 1911, through the shortsightedness and selfishness of a few American politicians, commercial relations between the two countries were seriously disturbed by arbitrary termination of the existing treaty, and this was accomplished in such a manner as to cause considerable diplomatic friction. The question of the free admission to Russia of naturalized Americans of Russian-Hebrew extraction gave rise to the trouble in the beginning. The United States demanded that all American passports be treated alike, and Russia, for reasons of internal administration, declined to accede to such treatment. The treaty was denounced by the United States. Russia courteously allowed the *status quo* to remain, but took the position that as America had denounced the treaty it rested with America to invite new proposals. This situation has remained for nearly three years, and in that time has arisen in Russia considerable antagonism to things

American. The situation is most unfortunate, and is deplored by all Americans who understand the reason why Congress acted as it did, and who understand and appreciate the wisdom, justice and desirability of a mutually advantageous commercial alliance between the two nations.

It remains for the present administration of affairs at Washington to restore the breach which has been made in Russo-American friendship, and this is not easy, for the position taken by the United States is untenable from the Russian point of view, and there is strong pressure being brought to bear upon the American Government to insist upon more than Russia can give. The matter has received widespread attention in the United States, however, since Congress took snap judgment on Russian affairs in 1911, and the American Press is now quite generally in favour of making a new treaty with Russia without attempt on the part of the United States to interfere in Russia's domestic affairs, and many public men have expressed themselves vigorously along the same lines. American business interests in Russia have suffered considerably since the treaty was terminated, and great damage will be done if the commercial relations are not soon again placed upon treaty basis. It is more than probable that some mutual understanding

may be reached before long, because neither nation is really desirous of letting matters stay as they are longer than is necessary to the making of a new convention.

Japan is the only other country with which the United States is in danger of serious disagreement, and this situation is admittedly bad. It was said long ago that if the initiative for war came from Japan it would come before the completion of the Panama Canal. The canal is finished, and yet there have been no real signs of armed conflict. It is doubtful whether there ever was much chance of war between the United States and Japan, for while Japan might gain victories early in the conflict, the outcome would be inevitably that the United States would wear out the weaker country. The question at issue, the treatment of Japanese immigration by the United States, is not one over which Japan can afford to go to war, for, no matter how successful her efforts, the Japanese would not get into America; in fact, a war would probably lead to stricter exclusion than is now proposed. The Japanese position at this time, economic and financial, is not favourable to a conflict with a first-class Power. War talk has been largely a game of bluff to secure more consideration at Washington, and for home consumption in politics.

The commercial relations of the two countries are excellent, and a stoppage of

trade with the United States, whose people buy one-third of all Japan has to sell, would be a serious matter for a country so desperately in need of commercial prosperity. Japanese exclusion will more than probably come about in America, and the situation will remain strained until a new basis of relations evolves itself out of the present controversies. With China, a country whose labourers are already excluded from the United States, the relations of the United States are particularly friendly, and from America has come much encouragement for any modern progress which has been made by that country. The American people have gained little or nothing in a commercial way from their friendly interest in Chinese affairs; in fact, American trade in that country has suffered severe reverses in recent years owing to active Japanese and other competition: but that is due to the purely theoretical basis upon which American foreign affairs are conducted, not only in China but quite generally, and a lack of the so-called "dollar diplomacy" as successfully practised by the great Powers of Europe.

The diplomatic and commercial relations of the United States with the countries of the world, other than those already mentioned, are friendly and more or less profitable. Nearly forty different Governments maintain representatives at Washington, and there is closer

and more constant association between the members of this diplomatic colony and the officials of the United States Government than is the case in the capital of any other nation. Washington is a small non-commercial city : the business of its inhabitants is politics, either domestic or foreign. Two or three clubs, the White House and the Embassies and Legations, are the common meeting-grounds of the diplomats and Government officials the year around ; in fact, they cannot escape one another in this limited environment. They are all easily accessible to representatives of the Press, and their personality soon becomes known to the country at large through the medium of the daily gossip and news service of the ubiquitous Washington Press correspondent. With all this intimate association, however, the personality of a diplomat plays a smaller part in influencing the foreign policy of America than it does elsewhere. Intrigue of either men or women as it may concern relations with foreign Governments or in the making of treaties is now practically unknown by reason of its uselessness. The President and the Secretary of State may have their likes or dislikes, but in the end public opinion or the action of the Senate will control their action. In fact, be it known that the executive force of the Government has been engaged in international matters on its own responsibility,

and it will not be long before the Senate will call for explanation, and good reason must always be given in confidence to the Senate to prevent the widest publicity of all discussions or contemplated moves. The diplomacy of America may indeed be termed that of the daylight, for there is no way in which the responsible men of the Government can conceal their movements or even their intentions. This is a form of diplomacy difficult of practice, but it leads to an unusual degree of frankness in all international relations. The subtleties of Old-World diplomacy are not for Washington, but perhaps this may be no real loss to the cause of international peace and understanding, towards which America, in the peculiar simplicity of her foreign affairs and policies, has contributed in no small degree.

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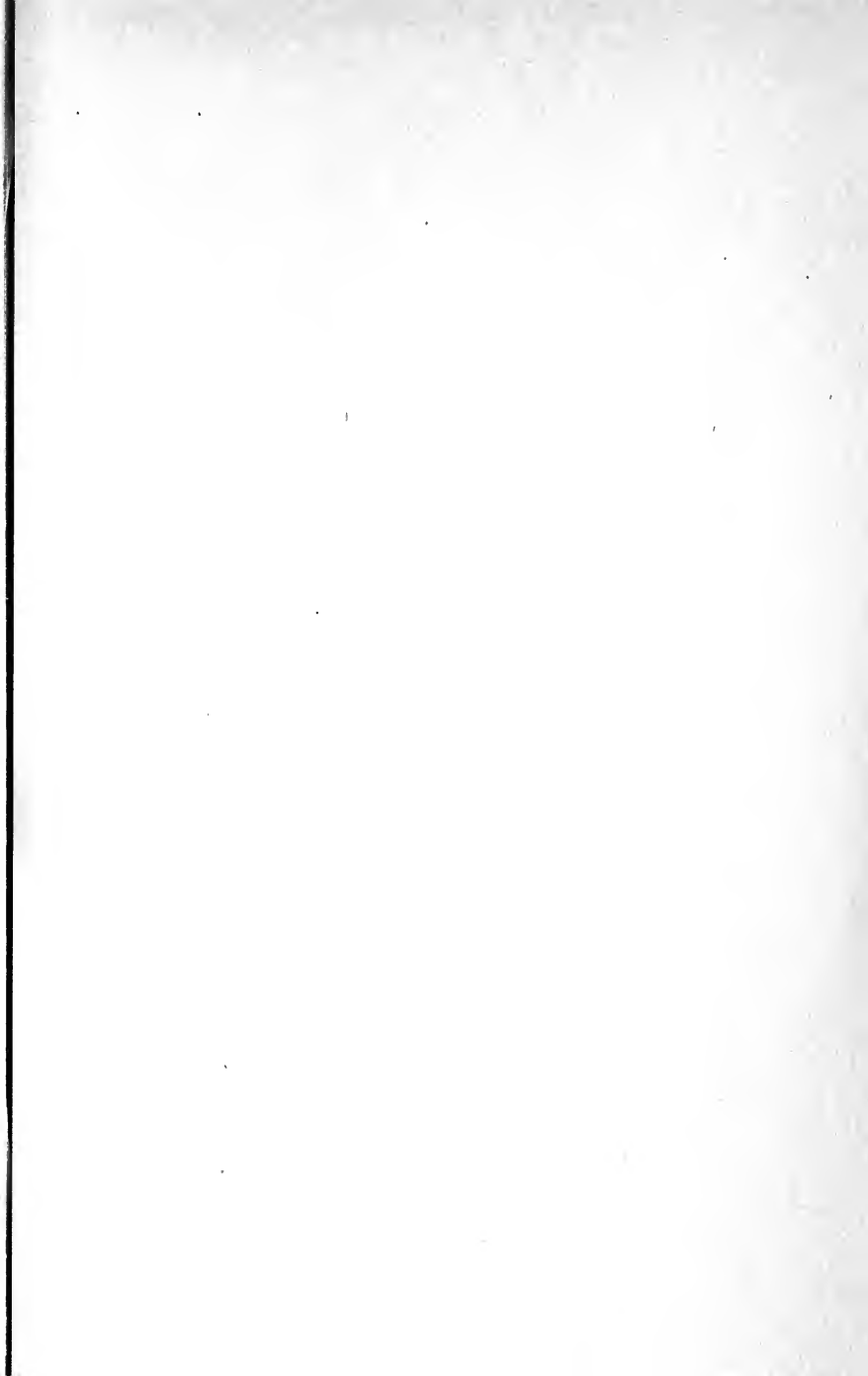
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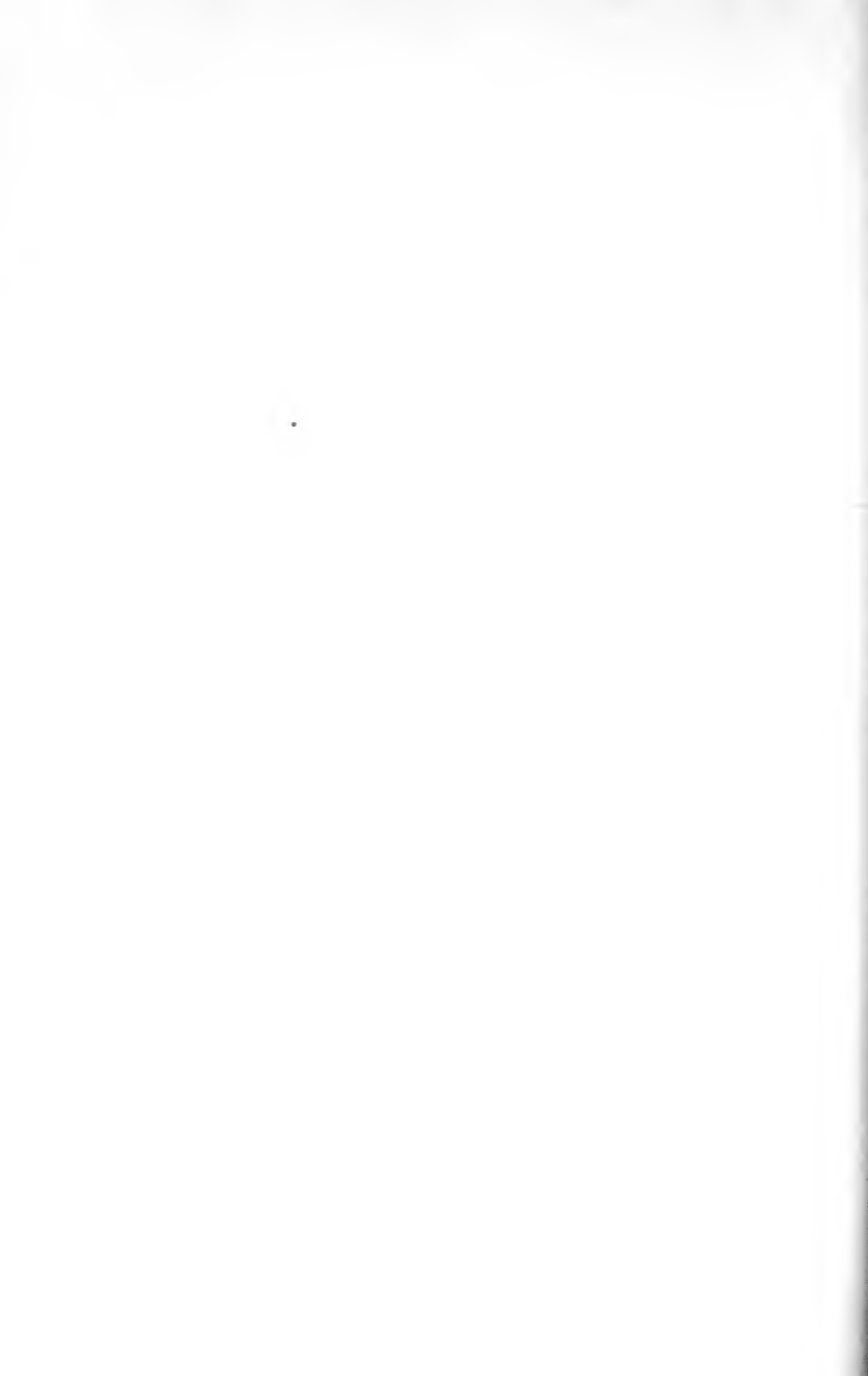
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14 DAY USE
RETURN TO DESK FROM WHICH BORROWED
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